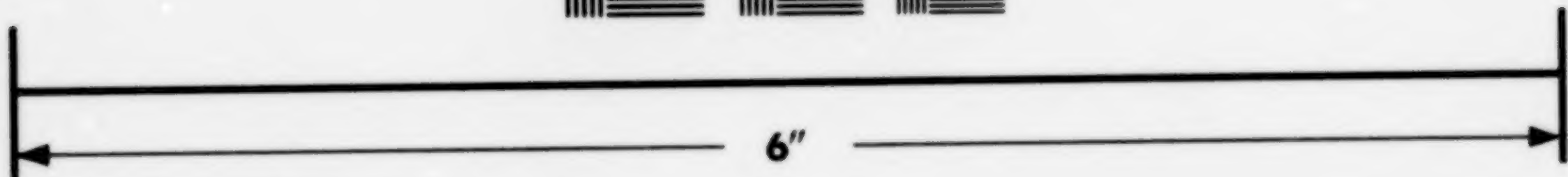
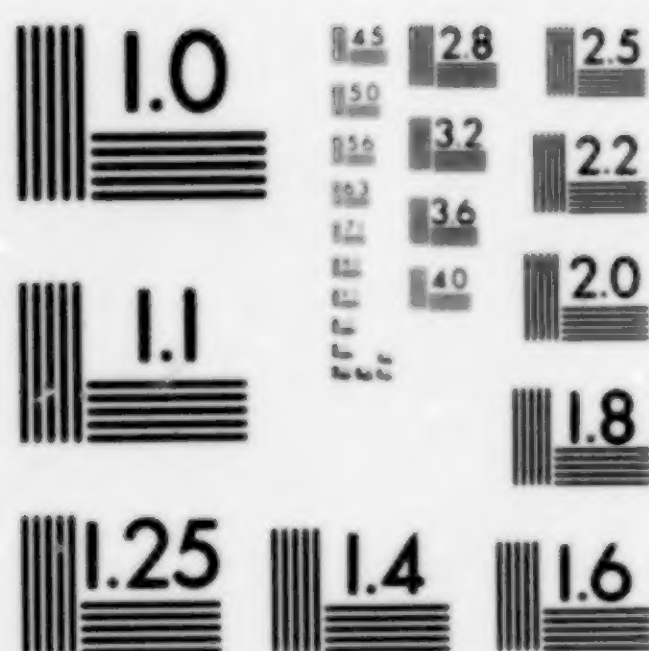


IMAGE EVALUATION TEST TARGET (MT-3)



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Daily Report

East Asia

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Japan

Foreign Minister Calls Kantor About Trade Talks

OW1305141494 Tokyo KYODO in English 1358 GMT
13 May 94

[Text] Tokyo, May 13 KYODO—Japanese Foreign Minister Koji Kakizawa and U.S. Trade Representative Mickey Kantor agreed Friday night that the two countries should seek to resume the failed trade framework talks before the summit meeting of Group of Seven (G-7) major industrialized powers in Naples in July, Foreign Ministry officials said.

Meanwhile, a senior Trade Ministry official indicated that subcabinet-level trade talks will resume next week.

In a 15-minute telephone call, Kantor agreed with Kakizawa that Japan and the U.S. should create a basis for the resumption of the framework talks before the G-7 summit meeting in July, the officials said.

The two also agreed that Tokyo and Washington should hold unofficial contacts on the matter as early as possible, they said.

Kakizawa, who made the phone call to have his first conversation with Kantor since assuming the post in late April, told Kantor he thinks it important to establish a relationship of personal trust between them, they said. He also pointed out the importance of Japan-U.S. ties, especially in the economic field, they said.

Kantor was quoted as saying he agrees that personal trust is important.

Japan and the U.S. failed to reach agreement on the trade framework talk in February when then Prime Minister Morihiro Hosokawa met U.S. President Bill Clinton, failing to narrow differences over the definition of the previously agreed "objective criteria" to be used to gauge progress in the opening of Japan's markets.

The senior official at the Ministry of International Trade and Industry said earlier on condition of anonymity that Japan and the U.S. will resume subcabinet-level framework talks next week if a new proposal to break the deadlock wins the approval of Prime Minister Tsutomu Hata.

The Japanese trade negotiators to be sent to Washington are Sozaburo Okamatsu, vice trade minister for international affairs, and Sadayuki Hayashi, deputy foreign minister for economic affairs.

Trade Minister Eijiro Hata told a morning press conference that the top-level officials will not carry with them any specific answers to three new U.S. proposals made as conditions for resuming the framework talks.

Washington has asked Japan to clarify its position on macroeconomic policy, the overall goal of the framework

talks and the "objective criteria" sought by the U.S. to assess progress in Japanese efforts for opening its markets.

U.S. 'Set To Resume' Stalled Framework Talks

OW1305110794 Tokyo KYODO in English 1055 GMT
13 May 94

[Text] Tokyo, May 13 KYODO—Japan and the United States are set to resume their stalled talks on a new trade framework, with Tokyo slated to send top-level officials to Washington as early as next week. International Trade and Industry Minister Eijiro Hata told a morning press conference Friday that the officials will not carry with them any specific answers to three new U.S. proposals made as a condition for resuming the framework talks.

Washington has asked Japan to clarify its position on macroeconomic policy, the overall goal of the framework talks and the "objective criteria" sought by the United States to assess progress in opening Japan's markets.

A senior ministry official suggested the Japanese negotiators will tell their U.S. counterparts of Tokyo's willingness to take action to broaden foreign access to goods procured by the government. "There is room for study in the case of government procurement, which is under the government's jurisdiction," the official said on condition of anonymity.

Government procurement is one of the three areas to which Washington gives top priority in the framework talks. But the official said the two sides are likely to run into rough going in trying to define the goal of the bilateral talks initiated by the U.S. to pry open Japanese markets and rectify the chronic trade imbalance between the two countries.

Japanese and U.S. negotiators are in agreement not to go into details on "objective criteria" as sought by Washington but rejected by Tokyo, which led the talks to collapse at the summit meeting in Washington in February.

A U.S. diplomat has said it seems that U.S. Trade Representative Mickey Kantor will not stick to his effort to pin down objective criteria by any means if Tokyo promises to widen U.S. access to Japanese markets on a sector-by-sector basis.

Foreign Minister Koji Kakizawa is scheduled to talk with Kantor later in the day by telephone for their first conversation since Kakizawa took office in late April. The issue of how to deal with the framework talks is expected to be on the agenda in the telephone talks.

The Japanese trade negotiators to be sent to Washington are Sozaburo Okamatsu, vice minister of international trade and industry for international affairs, and Sadayuki Hayashi, deputy foreign minister for economic affairs.

Hata on DPRK Contingency 'Perfect Measures'*OW1305073994 Tokyo KYODO in English 0729 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—Prime Minister Tsutomu Hata pledged Friday [13 May] that his government will adopt "perfect measures" to defend Japan's security if military conflict broke out on the Korean peninsula.

"If a serious contingency broke out, the government will counteract it with intragovernment solidarity and adopt perfect measures," he said in reply to an opposition query on a security threat from Pyongyang's suspected nuclear arms program.

Hata was fielding a Diet interpellation from Takushi Hirai, a Liberal Democratic Party member, who pressed Hata to clarify Japan's response to U.S. requests to halt banking and cash remittance to North Korea from pro-Pyongyang Korean residents in Japan.

Hirai also pressed Hata to clarify whether the government would deploy Japan's Maritime Self-Defense Force in times of a possible U.N. resolution to impose a naval blockade against North Korea to penalize it for its refusal to accept unimpeded inspection of its nuclear facilities.

Hata refused to rule out possible Japanese participation into these sanction measures.

"Now that the international community is quietly pressing North Korea to open its window (to the inspection demand), I would like to avoid specifying (Japan's possible response to the contingency)," Hata said.

Hata later straddled the fence in the face of persistent opposition questions on whether Japan is ready to use forces to help its allies impose sanctions against North Korea if the international community moved to slap sanctions.

He said, "Although Japan is endowed by international laws with the right to use force to block a military offensive to a foreign country with a close tie with Japan, Japan's exercise of (its right to) collective security would overstep the boundary of the Constitution."

The premier rejected the allegation that his administration is trying to alter postwar governments' longtime constitutional interpretation that the Constitution bans Japan's involvement in collective security.

The coalition government "will firmly stick to the long-time interpretation that Japan is authorized to use only minimum necessary forces under the Article 9 of the Constitution," he said.

He made the remarks in response to questions from Social Democratic Party elder Koken Nosaka and new party Sakigake [Harbinger] leader Masayoshi Takemura.

Takemura pressed Hata to clarify the definition of the controversial phrase "universal security" that was incorporated into coalition parties' common policy document, inked by their leaders April 22 as a prerequisite for initiating the fresh coalition government.

The policy platform document says coalition parties "recognize the fact that the Japanese Constitution adopts as its ideal universal security to be ensured by the United Nations."

Hata replied, "universal security implies...U.N. actions for ensuring security that include measures provided for by the chapter 7 of the U.N. Charter, taken in solidarity by the international community to counteract an invasion by a destroyer of peace."

The chapter 7 has been under Diet scrutiny, as it authorizes, among others, military actions including a blockade by military forces to restore peace in conflict-marred regions.

The SDP's Nosaka blasted Hata for defending former Justice Minister Shigeto Nagano who resigned last Saturday after calling the 1937 Nanjing massacre a "fabrication."

Nosaka was taking issue with Hata's remark that "Mr. Nagano is a man of excellent character and profound knowledge."

Hata said, "although Japan has sincerely dealt with the war reparation issue in the San Francisco treaty and bilateral treaties...I will consider how Japan can demonstrate its feelings of repentance and reflection (on Japan's World War II campaign.)"

More Illegal Immigrants Arrested on Freighter*OW1305012994 Tokyo KYODO in English 0008 GMT
13 May 94*

[Text] Matsue, May 13 KYODO—Maritime Safety Agency officials on Friday [13 May] arrested 47 foreigners remaining aboard a freighter off Shimane Prefecture for allegedly entering Japan illegally, officials said.

A fishing boat discovered the vessel entangled in a fishing net in the Sea of Japan, four kilometers off Taki, Shimane Prefecture on the Sea of Japan, early Thursday, and 14 out of 94 foreigners aboard, most of them apparently Chinese, were arrested Thursday.

Thirty-three people who went ashore are missing, police said.

A 46-year-old Indonesian man who claimed to be the captain reportedly said the ship left Guangzhou in the Chinese southeastern province of Guangdong on April 19 with 13 crew members and 81 passengers on board.

Arrested Chinese Suspected of Seeking Jobs

*OW1305143594 Tokyo KYODO in English 1339 GMT
13 May 94*

[Text] Matsue, May 13 KYODO—Forty-seven Chinese who were arrested early Friday [13 May] for allegedly entering Japan illegally aboard a freighter, hoped to find jobs in the country, police said.

One of the illegal Chinese immigrants, who were aged between 17 and 38 and all from Fujian Province, has told police he wanted to work in Japan. The 22-year-old man also confessed that his friends in Tokyo were to provide him with a residence and a job, they said.

Maritime Safety Agency investigators arrested the 47 Chinese remaining aboard the freighter off Shimane Prefecture on suspicion of sneaking into Japan illegally, thus bringing the number of foreigners apprehended in the case to 61.

On Thursday, 14 out of 94 people aboard the ship were arrested for allegedly violating Japan's Immigration Control Law after a fishing boat discovered the vessel entangled in a fixed fishing net in the Sea of Japan, 4 kilometers off the town of Taki, Shimane Prefecture, on the coast of the Sea of Japan early the same day.

Thirty-three people, who had gone ashore, are still missing, police said.

A 46-year-old Indonesian man who claimed to be the captain said the ship left Hong Kong on April 20 and later took 81 Chinese on board the vessel while standing offshore, they said.

Chinese Naval Ships Sighted in 'Seas off Japan'

*OW1305144694 Tokyo KYODO in English 1430 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—A group of four Chinese naval vessels are approaching seas off Japan on their way to pay a goodwill visit to the Russian Far East port of Vladivostok, Defense Agency sources said Friday [13 May].

The sources said the ships, including a destroyer and a frigate, are expected to pass through the Tsushima Straits into the Sea of Japan early Saturday.

It is believed to be the first time in the postwar period for Chinese naval ships to enter the Sea of Japan.

Russia's ITAR-TASS NEWS AGENCY reported earlier this month that three Chinese Navy ships, led by Chinese Northern Fleet Commander Wang Jing and including the destroyer Zhuhai, escort ship Huainan and rescue ship Anxindao, will arrive in Vladivostok on May 17.

The sources said Maritime Self-Defense Force (MSDF) P-3C aircraft spotted a 3,250-ton Luda-class destroyer, a supply ship, and a submarine support and rescue ship.

Also sighted by the MSDF, but not mentioned in the report, was a 2,250-ton frigate equipped with anti-aircraft missiles.

The ships are returning a visit paid to the Chinese port city of Qingdao last August by a group of three Russian Navy ships.

Auto Venture Said 'Historic'

*OW1305032894 Tokyo KYODO in English 0141 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—Japan's two Mitsubishi group firms will take part in a three-country joint venture to make automobile engines and components in China.

The participants, which include Chinese and Malaysian firms, signed an agreement on Thursday [12 May] in Beijing at a ceremony attended by Malaysian Prime Minister Mahathir Mohamed.

The details of the trilateral partnership have yet to be unveiled, but industry sources said they will be announced as early as Friday.

Automaker Mitsubishi Motors Corp. and trader Mitsubishi Corp., both in the Mitsubishi business conglomerate, will join the alliance, as will China North Industrial Group, China Aerospace Corp. and the aviation industries of China.

The joint venture also includes the Malaysian Government and Eon Bank Bhd., a Malaysian state-run bank.

Mahathir congratulated the participants from the three countries on their willingness to work together for mutual benefit and described the occasion as a historic one.

He said the project will have a positive impact on the future relationship between China and Malaysia.

Mitsubishi Joins Automobile Venture in PRC

*OW1305102794 Tokyo KYODO in English 0922 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—Mitsubishi Motors Corp. said Friday [13 May] it has agreed to participate in a three-nation project to develop the automobile industry in China. The company said the agreement was signed in Beijing Thursday among the partners from Japan, Malaysia and China.

The group includes Mitsubishi Motors and Mitsubishi Corp., a major Japanese trading house, the Malaysian Government and Eon Bank, and three Chinese firms—China North Industrial Group, China Aerospace Corp. and the Aviation Industries of China.

Under the agreement, the group will conduct a feasibility study on cooperation to help the Chinese partners manufacture automobiles as part of their efforts for transformation into private enterprises.

Industry sources said the agreement calls for the three-nation group to produce automobile engines and components. The sources said the agreement was in line with the Chinese Government's policy of stepping up the development of the domestic automobile industry, starting in 1996.

The agreement paves the way for the Japanese and Malaysian firms to enter the fast growing Chinese market, they said.

PRC Sends Letter on Textile Exports Curb

*OW1305115394 Tokyo KYODO in English 1059 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—The Chinese Government is moving to introduce a voluntary curb on textile exports to Japan, a Japanese trade ministry source said Friday [13 May].

The step is designed to prevent Japan from invoking a discriminatory curb on textile imports from China, a protective measure allowed under the Multifiber Agreement (MFA), the source at the Ministry of International Trade and Industry (MITI) said.

The source said Beijing sent MITI a letter stating it supported the voluntary textile export cap. The letter was sent when Hiroshi Kumagai, chief cabinet secretary, was a MITI chief.

The MFA, which took effect in 1974, is intended to protect Japan and other Western industrial countries, major textile importers, from possible damage to their domestic textile industries due to massive textile exports by China and other developing nations.

The recently concluded Uruguay Round accord on global trade calls for a phased removal of managed trade practices, such as voluntary export restraints.

In line with the global trade policy, Tokyo announced earlier this year that it will scrap a voluntary curb on U.S.-bound car exports starting this year.

Hokkaido Tour Group to Disputed Islands Returns

*OW1305091194 Tokyo KYODO in English 0633 GMT
13 May 94*

[Text] Nemuro, Hokkaido, May 13 KYODO—The latest group of Japanese to make a visa-free visit to the Russian-held islands off Hokkaido's eastern tip returned Friday [13 May] after two nights on Kunashiri Island.

Entering the third year of the visa-free exchanges, the 48 Japanese, led by Jun Katagi, head of the prefectural government's general affairs office, was the first group of

the year to travel to the disputed islands. A Russian group visited Hokkaido in April.

The group departed Wednesday and arrived in Furukappu, Kunashiri, and spent the evening with island residents.

The group visited an elementary school and a museum Thursday and in the evening took part in a discussion meeting with island's residents and were hosted to a dinner party.

Before this visit, the Russians had asked the Japanese charter vessel to fly the Russian flag alongside the Japanese flag and to use the name "Russia" in filling out arrival documents.

The visitors complied with the requests, but the negotiations delayed the arrival by an hour and 30 minutes.

A second group of 48 is scheduled to leave for Etorofu Island on Saturday.

The two islands along with Shikotan Island and the Habomai group of islets were taken over by the Soviet Red Army at the end of World War II, but Japan has continued to claim sovereignty over what it terms the "northern territories." The island dispute has prevented Tokyo and Moscow from ever concluding a peace treaty.

Foreign Minister Urges Deregulation Action

*OW1305121594 Tokyo KYODO in English 1206 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—Foreign Minister Koji Kakizawa on Friday [13 May] sought the cooperation of his cabinet colleagues to meet strong U.S. and European Union demands for Japan's greater deregulation efforts in "visible" form, officials said. He made the request at the first meeting of ministers concerned with deregulation.

The United States and EU are asking for the removal or relaxation of seven types of government regulations, including those concerning the Large-Scale Retail Stores Law and the management of public and private pension funds. Their demands also include more relaxed building standards and electrical goods standards to promote the international harmonization of standards.

The ministers are expected to meet again early next week as some ministers such as construction minister were not present at the first meeting, the officials said.

Ministers: Need for Deregulation

*OW1305104994 Tokyo KYODO in English 1030 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—Prime Minister Tsutomu Hata and select cabinet ministers on Friday agreed on the need to come up with powerful measures by the end of June to promote deregulation, Chief Cabinet Secretary Hiroshi Kumagai said. At a ministerial

meeting on government regulation plans, Hata said drawing up effective deregulatory measures is a mission of his administration, the top government spokesman told a news conference.

The premier and the ministers also concurred on the need for each cabinet minister to take the lead on relaxing economically restrictive government regulations in the face of resistance from government ministries and agencies, Kumagai said.

Friday's meeting drew Hata, Foreign Minister Koji Kakizawa, Finance Minister Hirohisa Fujii, International Trade and Industry Minister Eijiro Hata, Management and Coordination Agency Chief Koshiro Ishida, Economic Planning Agency Head Yoshio Terasawa and Kumagai.

Kumagai said the cabinet will convene a second ministerial get-together on deregulation possibly next week by inviting heads of ministries and agencies holding control over a number of regulations. The government has vowed to come up with full-scale deregulatory measures by the end of June as part of efforts to spur domestic demand and hence the nation's appetite for imports.

The cabinet meeting came at a time when the government's administrative reform headquarters is striving to seek specific deregulation measures at its three working groups. Earlier Friday, a business leader urged Hata to relax various government regulations on real estate trading and telecommunications-related industries.

Isao Nakauchi, vice chairman of the Federation of Economic Organizations (Keidanren), called on Hata at the premier's official residence and made the pitch. Nakauchi told reporters he informed Hata of his dissatisfaction with the government's working groups on deregulation, saying their talks have been dominated by bureaucrats and that opinions of the private sector have not been well reflected.

Hata reportedly told Nakauchi, who is also chairman and president of Daiei Inc., a major supermarket chain, that he hopes to promote deregulation through the initiatives of his cabinet rather than the bureaucracy.

In the morning, Keidanren submitted to Kumagai a letter urging the government to promote deregulation. Kumagai told his news conference that the working groups will bear sufficient fruit in their efforts to seek effective measures to ease regulations. "We must work to comply with requests from both at home and abroad, or what you might call real demands," the chief cabinet secretary said.

Group Urges Telecommunications Deregulation

*OW1305060294 Tokyo KYODO in English 0520 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—Information and communications experts urged drastic deregulation of the telecommunications industry Friday [13 May], government officials said.

Participants in a meeting of a working group on government administrative reform which convened at the prime minister's official residence noted the profound change in information and communications, saying, "drastic deregulation is necessary, not administrative measures in small dollops," the officials said. The telecom industry is hampered by existing regulations from freely taking the initiative in business, they said.

They criticized the measures taken so far by the Postal Ministry, saying that deregulation "must be clear-cut to both users and the industry."

The working group, which met for the sixth time, will draw up a final report at the next meeting on May 27, the officials said. The government will take the report into account when drawing up specific deregulation policies before the end of June.

Government Urged To Ease Rule on Motorcycles

*OW1305100694 Tokyo KYODO in English 0927 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—Japan should relax excessive regulations, including one that limits driving licenses for large motorcycles, to remove import barriers, a government body handling trade complaints said Friday [13 May].

The Office of Trade and Industry Ombudsman urged government ministries to ease 21 irksome regulations listed in a report submitted to Prime Minister Tsutomu Hata. The report comes against the backdrop of mounting criticism that Japan's rigid regulations shut out foreign products.

U.S. motorcycle maker Harley-Davidson Inc. has complained about "an almost impossible driving license test" for motorcycles with an engine displacement over 400 cc. In a complaint filed with the office by the U.S. Embassy, Harley-Davidson said the system effectively blocks imports of foreign motorcycles, almost all of which have larger engines.

Two years ago Japan's four major motorcycle makers appealed for eased regulations on large bikes and the rigid examination, but no change has been made.

As requested by Harley-Davidson, the report also recommends the government review its ban on tandem riding on highways and change the highway speed limit for motorcycles to 100 kilometers per hour from 80 kilometers per hour in line with that for automobiles. The report also urges flexible enforcement of rules on issuing a model certificate by accepting widely acknowledged foreign inspection and safety standards.

It also said the time required for obtaining import permission for cosmetics and perfume should be shortened from three to six months.

Other rules cited in the report include:

Regulations on foodstuff, health care and medical goods
 —Standards on condensed grapefruit juice.
 —The prevention system for plant epidemics.
 —Inspection rules on dairy products.

Regulations on industrial goods
 —Standards on labeling for textile products.
 —The licensing system for automatic nail driving machines run on internal gas combustion.
 —Rules on electric wheelchairs.

Regulations on transport
 —Safety standards and inspection rules on automobiles and auto parts.
 —Regulations on batteries used in electric cars.

Regulations on construction
 —Rules on fire-resistance tests.
 —Standards on wallpaper.

Keidanren Leader Urges Hata To Deregulate

OW1305043894 Tokyo KYODO in English, 0402 GMT 13 May 94

[Text] Tokyo, May 13 KYODO—A Japanese business leader urged Prime Minister Tsutomu Hata on Friday [13 May] to relax various government regulations on real estate trading and telecommunications-related industries, business federation officials said.

Isao Nakauchi, vice chairman of the Federation of Economic Organizations (Keidanren), paid a visit to Hata's residence for the first time since the premier formed his cabinet in late April.

Hata told Nakauchi, who is also chairman and president of Daiei Inc., the supermarket chain, that he hopes to promote deregulation through the initiatives of his cabinet rather than the bureaucracy.

Earlier in the day, executive members of Keidanren took part in an administration reform promotion meeting, chaired by Nakauchi. The meeting was attended by Chief Cabinet Secretary Hiroshi Kumagai.

In the meeting, Keidanren submitted to Kumagai a letter urging the government to promote deregulation.

Kumagai said Hata's administration will make efforts to carry out deregulation from the viewpoint of improving consumers' daily life.

Hata's cabinet held its first meeting on government deregulation plans on the day, government sources said. The meeting was held to promote easing regulations, which have been cited by the United States as trade barriers, they said.

The cabinet wants to take the initiative on easing regulations as ministries and agencies concerned have been dragging their feet on the issue, the sources said.

Nagano Apologizes to Taiwan on Nanjing Remark *OW1305140594 Taipei CNA in English 1301 GMT 13 May 94*

[By Victor Lai]

[Text] Tokyo, May 13 (CNA)—Former Justice Minister Shigeto Nagano paid a call on Lin Chin-ching, representative of the Taipei Economic and Cultural Representative Office in Japan, at Lin's office Friday [13 May] to apologize for his recent remark that the 1937 "Rape of Nanking" was a "fabrication."

He expressed his deep remorse over any trouble the remark may have caused to Taiwan-Japan relations.

The 71-year-old upper house member was forced to resign from the new Japanese cabinet last week after the MAINICHI SHIMBUN quoted him as saying the "rape of Nanking was a fabrication" and that the Pacific war "was not an error." His remarks prompted severe criticism at home and abroad.

In the meeting with Nagano, Lin expressed the hope that for the the good of Sino-Japanese relations, all Japanese should be taught the truth of Japan's militaristic expansion into Asia before World War II.

Nagano, who once served as chief of staff of the Japan Ground Self-Defense Force, has been a member of the upper house for two terms.

Textbooks Carry War Damage Compensation Issues

OW1305135094 Tokyo KYODO in English 1304 GMT 13 May 94

[Text] Tokyo, May 13 KYODO—School textbooks will pay more attention to moves among foreigners demanding compensation for Japan's aggression and use of thousands of "comfort women" in frontline brothels during World War II, Education Ministry officials said Friday [13 May].

The officials said the ministry screened textbooks for fiscal 1995 to be used at senior high schools so as to reflect its view that there is room for considering compensation problems.

A growing number of people, including women who say they were forced to become "comfort women," have filed a series of suits against the Japanese Government, seeking compensation for damages inflicted during the war.

Many of the textbooks which mentioned the compensation issue in more detail than in the past passed the ministry's screening and will be used by students starting next fiscal year, the officials said.

The ministry's move reflects the government's earlier statement that problems among states were settled

legally after the war, but it "reserves the right to treat the women's claims on an individual basis," a government source said.

Then Prime Minister Morihiro Hosokawa's remarks last August that Japan waged a "war of aggression" against its Asian neighbors also seems to have had an influence in the ministry's stance on the issue, government sources said.

One publisher shows a list of contents of compensation demands from war victims in South Korea, Indonesia and the Philippines, and the Japanese Government's reaction toward each of the suits.

Another textbook said there could be problems in the future if individuals seeking compensation for war damages are ignored on the basis that the issue was settled after the war.

One author said he was surprised that the ministry did not ask him to cut out or rewrite notes on the compensation issue in his textbook.

The issues of compensation and "comfort women" are only mentioned as facts in some of the textbooks that are currently being used for fiscal 1994, which started last month.

Foreign Ministry Issues Annual 'Blue Book'

*OW1305010894 Tokyo KYODO in English 0043 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—The world in 1993 continued to head toward an unsteady and unpredictable direction with no effective solutions for nagging problems but there were also hopeful signs for the future, the Foreign Ministry said in an annual report released Friday [13 May].

The ministry's diplomatic bluebook for 1993 said the international community was unable to find effective measures to solve sluggish economic conditions among industrialized nations, regional conflicts such as those in the former Yugoslavia or North Korea's alleged nuclear weapons development.

Steps to end proliferation of mass destructive weapons or to solve turmoil in the former Soviet Union were also unavailable, the report said.

But bright prospects also appeared as a result of international cooperation on a new framework for peace and prosperity, it said.

The report cited encouraging developments such as the birth of a new Cambodia, the historic agreement between the Palestine Liberation Organization (PLO) and Israel and the successful conclusion of the seven-year-long Uruguay Round of multilateral trade talks.

Seeking solutions to international problems through multilateral means is becoming increasingly important

in the post-Cold War era since economic, environmental and nuclear nonproliferation issues are often intertwined, the paper said.

It cited the need to strengthen the functions of the United Nations and the importance of cooperation among Japan, the United States and Europe which share common values of democracy and market-oriented economies and whose combined gross national product accounts for 70 percent of the world's GNP.

Japan, for its part, should carry out, in cooperation with other countries, diplomacy that is both "active and creative" to build a new international framework because it now has great influence not only economically but also in the political and global fields, it said.

The report also said Japan also has an increasingly important role as an industrialized and democratic nation in Asia to promote democracy and market-oriented economies worldwide while preventing religious and ethnic conflicts.

While conceding that in some ways the Japanese people are not yet fully aware of mounting international expectations toward their country, the blue book said notions are taking root that Japan should contribute more actively to ensuring peace and prosperity in the world while at the same time not seeking to become a military superpower.

Japan's cooperation during the Persian Gulf crisis and participation in the UN-led peacekeeping operations in Cambodia helped develop that attitude, it said.

Japan also intends to continue efforts to improve its Official Development Assistance (ODA) to developing nations in quantity and quality because the ODA is an important method to fulfill its international responsibility and roles, the report said.

Regarding its relations with the U.S., the blue book said the two nations reconfirmed the importance of bilateral ties as new governments emerged on both sides of the Pacific.

It predicted, however, that disputes between Tokyo and Washington may intensify over trade and economic problems as a result of the failed bilateral trade framework talks in February.

Despite the two governments' agreement that the collapse should not affect bilateral cooperation on political, security and global aspects, voices of concern and dissatisfaction toward each other can be heard in both nations, it said.

Efforts by both sides are essential to improve bilateral trade relations, but in Japan's case, it should make efforts to boost domestic demand while voluntarily taking measures to ease access of foreign goods, the report said.

The year 1993 also saw active moves regarding regional cooperation and regional unification, such as the start of the EU, North American Free Trade Agreement (NAFTA) and the holding of an informal summit meeting of leaders of the Asia-Pacific Economic Cooperation (APEC) nations, the report said.

But such regional cooperation should be in line with the activities of the UN and the General Agreement on Tariffs and Trade (GATT), it said.

On the global economy, the blue book cited the need to work on serious global unemployment while tackling new problems such as improving the compatibility between trade and the environment.

Hatano Says Tokyo Should Campaign for UN Seat

OW1305090294 Tokyo KYODO in English 0722 GMT 13 May 94

[Text] Tokyo, May 13 KYODO—Japan should actively campaign to become a permanent member of the U.N. Security Council rather than wait for other nations to push Japan for the seat, former Japanese Ambassador to the United Nations Yoshio Hatano said Friday [13 May]. Hatano, who just completed his four-year term in New York, referred to the need to become a permanent member in a speech sponsored by the Asian Affairs Research Council at a Tokyo hotel.

Views in Japan that it would seek the permanent membership only if pushed by others or that it should seek the bid modestly without looking too eager, are based on a very Japanese way of thinking, Hatano said.

Because permanent members are elected, Japan must first make clear its candidacy and lobby to win votes to gain other nations' support, he said.

Unless it takes such initiative, Hatano said, no country would strongly push for Japan's permanent seat since the discussion on whether to include Japan and Germany in the Security Council is just one of the agendas to reform the council.

Hatano also said Japan should not just offer large financial contributions to the world body but should speak out and offer ideas.

Japan currently shoulders 12.45 percent of the two-year U.N. budget, ranking second after the United States which provides 25 percent. From the 1995-1997 U.N. budget, however, its share is to rise to 15 percent following a routine rate revision.

Despite having limitations in cooperating in U.N. activities, such as constitutional limits to join U.N. peacekeeping operations, Japan does not have to be too timid, Hatano said, because the U.N. expects Japan to do what it can within its limits.

U.N. expectations toward Japan concerning the peacekeeping activities are in the field of logistical support and engineering, he said.

Hatano, however, said Japan, which successfully participated in U.N.-led peacekeeping operations in Cambodia, is often criticized for being reluctant to join peacekeeping operations in other parts of the world except Asia, such as those in Africa.

Japan has great shackles on itself regarding participation in peacekeeping operations because it cannot accept the idea of sending Self-Defense Forces troops to dangerous areas, he said.

Hatano also said Japan can take initiatives in solving environmental problems because "such problems can be solved by money."

"Japan can take initiatives in things that could be solved by money. But not in other areas," he said.

'Operation Besiege' Against Hata 'Kicked Off'

OW1305093594 Tokyo KYODO in English 0800 GMT 13 May 94

[Excerpt] Tokyo, May 13 KYODO—Parliamentary forces opposed to Prime Minister Tsutomu Hata are poised to step up next week their attacks on his minority coalition cabinet, which was inaugurated only in late April.

"Operation Besiege" against the Hata Government was kicked off by the Liberal Democratic Party (LDP) on Friday [13 May] when it submitted a resolution demanding the chairman of the House of Representatives Diet Steering Committee be sacked. The resolution against Keiwa Okuda, a member of the coalition's core party Shinseito [Japan Renewal Party] which Hata leads, is virtually certain to be approved at a lower house plenary session Tuesday because the Social Democratic Party (SDP) supports the idea.

The LDP demanded Okuda's dismissal because the coalition rejected its call for a change in the chairmanship. The LDP and the SDP—the biggest and second largest opposition parties, respectively—have a combined majority in the 511-member lower chamber.

The Diet action will be taken at a time when speculation is mounting that Hata will be forced to resign with all his cabinet members or dissolve the lower house for a snap general election after the overdue state budget for fiscal 1994 has been cleared through the Diet as early as June.

Hata will be given another headache next week as his predecessor in the premiership and major coalition partner Morihiro Hosokawa might be forced to give up the post of head of the Japan New Party (JNP).

The JNP is on the verge of another split because more than half its members favor disbanding the 130-member joint parliamentary group Kaishin (Innovation) in the

lower house. The setting up of Kaishin triggered the SDP's withdrawal from the coalition.

The group was formed mainly by Shinseito, Komeito, the JNP and the Democratic Socialist Party (DSP), excluding the SDP, after Hata was named new prime minister at the Diet in April.

Three legislators have since quit the JNP and joined new party Sakigake [Harbinger] in a unified 18-member lower house group.

The JNP is scheduled to call a meeting of its national delegates Saturday next week to discuss Hosokawa's political fate and the party's future political course. Political sources said if Hosokawa leaves the post, the party will withdraw from Kaishin, accelerating further realignment moves in Japan's political community.

The LDP and the SDP this week agreed to cooperate with each other against what they termed as the coalition's high-handed management of state affairs—a reference to the way coalition main strategist Ichiro Ozawa is running the show behind the scenes.

Their alliance could drive the Hata administration into a tight political corner with a no-confidence motion against it, for instance.

The SDP and Sakigake, an LDP splinter group, this week also agreed to bolster their parliamentary cooperation by exploring prospects for a future coalition.

In an attempt to get out of the corner, Hata will meet separately with Yohei Kono, the LDP president, and Tomiichi Murayama, SDP chairman—probably Tuesday.

The LDP was in uninterrupted power for 38 years until last August when it was toppled by the coalition of Hosokawa. The SDP was the coalition's biggest party before its withdrawal.

In a parliamentary interpellation this week, Kono questioned the authority of Hata's minority government and expressed his party's readiness to take over power from it.

Kono made the statement in reaction to Hata's appeal to opposition parties in his first policy speech to cooperate to help his fragile government steer Japan through difficult times on the domestic and international fronts.

Hata is also likely to meet Masayoshi Takemura, leader of Sakigake, a small grouping which was also a Hosokawa coalition member but which stayed out of the Hata administration.

Takemura, chief cabinet secretary in the Hosokawa government, said this week there will be a change of power after enactment of the fiscal 1994 budget, indicating the Hata administration will be short-lived. The Hata government is not in good shape and is merely an administration to take charge of "certain things" for a

"certain period," Takemura told a public meeting in front of Tokyo's Shimbashi Station on Thursday.

"A fire before the wind" is how one political commentator described the fate of the Hata government in the weeks to come. [passage omitted]

Hata Seeks Dialogue With Opposition Amid Attack

*OW1305041694 Tokyo KYODO in English 0354 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—Prime Minister Tsutomu Hata on Friday [13 May] reiterated his readiness for a dialogue with opposition parties as their attack on his minority government continued in the Diet. Admitting the difficulty in handling a variety of issues with only minority support, Hata said at a plenary session of the House of Councilors that he will seek cooperation from the opposition parties.

Hata's response to the questions by Takushi Hirai, a member of the main opposition Liberal Democratic Party (LDP), however, were for the most part repetitions of his remarks on Thursday in the House of Representatives.

Hirai pointed to the shaky standing of Hata's minority government and made a renewed call for the prime minister to step down.

Hata said he will respect an agreement among the coalition partners on key issues in April, before the Social Democratic Party (SDP), the second largest opposition, stormed out of the coalition.

The premier said he will seek cooperation from the SDP in line with the platform and will also "consult frankly with the LDP" in coping with the pending tasks.

The SDP walked out of the ruling coalition immediately after it helped put Hata in office over moves among some coalition components to form a new Diet bloc, excluding the SDP.

Hata also reiterated that the government will make efforts to pass the proposed tax reform through the Diet by the end of the year after compiling the draft bills in June.

On the issue of North Korea's suspected nuclear arms program, Hata said the government will cope with any emergency, if one should occur, with solid unity, while stressing the importance of solving the issue through diplomatic efforts.

Hata, commenting on Japan's bid for permanent membership of the UN Security Council, suggested that Japan is seeking the permanent membership with veto power, like the current five permanent members—Britain, China, France, Russia and the United States.

Germany also has said it is interested in joining the council as a permanent member with veto power.

Ouster of Diet Steering Committee Head Proposed

*OW1305055294 Tokyo KYODO in English 0537 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—The primary opposition Liberal Democratic Party (LDP) submitted a resolution Friday [13 May] demanding the dismissal of the chairman of the House of Representatives Steering Committee, the crucial committee that handles Diet affairs.

The Steering Committee's executive members immediately held a meeting and decided to hold a vote-taking plenary session of the lower house next Tuesday on the resolution, political sources said.

The dismissal of Keiwa Okuda, the committee chairman and a member of the coalition's core party Shinseito (Japan Renewal Party) led by Prime Minister Tsutomu Hata, is virtually certain because the Social Democratic Party (SDP) is expected to vote for the resolution, the sources said. The SDP is the second largest opposition party.

It also appears certain that Okuda's successor will be picked from the LDP, they said. The LDP and the SDP have a combined majority in the 511-member lower house.

"The base on which the current cabinet stands has definitely altered, the proportion of power of ruling and opposition parties is reversed. There are no longer any grounds to select (the chairman) from the ruling parties," the resolution said.

In response, Hata criticized the LDP, saying Okuda has been giving consideration to the opposition camp. "It (the resolution) is nothing but tyranny by force of number," he said.

Since Hata was forced to inaugurate his administration on a minority base last month after the SDP left the coalition, the LDP, which was ousted from its decades-long dominance last August, has demanded comprehensive changes in the chairmanships of the lower chamber's 20 standing committees.

The chairmanship of the Diet Steering Committee, which handles a no-confidence resolution against the cabinet if it is submitted, is a key post for the LDP as a step toward managing Diet affairs.

Political sources speculated that the LDP will put forth a no-confidence resolution against the Hata cabinet possibly in June, after the Diet passes the state budget for fiscal 1994, which started on April 1.

At a meeting of the Steering Committee's executive members in the morning, the LDP demanded that ruling parties surrender the chairmanships of other lower house committees to the opposition camp, political sources said.

The chairman posts demanded by the opposition are those for the lower house Cabinet Committee, the Commerce and Industry Committee and the Transport Committee, all of which were vacated when the previous chairmen became ministers in the Hata administration, the sources said.

The ruling and opposition camps agreed to discuss the other posts next Tuesday, they said.

Former Vice Finance Minister Named Bank Head

*OW1305034194 Tokyo KYODO in English 0309 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—The government on Friday [13 May] appointed Hiroshi Yasuda, former vice finance minister, to be president of the Export-Import Bank of Japan.

In line with the appointment, it accepted the resignation of Export-Import Bank president Mitsuhide Yamaguchi, who has informally been named to become the next president of the Tokyo Stock Exchange, government officials said.

Commission Chairman Says Tax Reform 'Commitment'

*OW1305103594 Tokyo KYODO in English 1016 GMT
13 May 94*

[Text] Tokyo, May 13 KYODO—The United States may tolerate the early demise of Prime Minister Tsutomu Hata if he fails to come up with a reasonable plan for the promised full tax reform, the advisory panel chief said Friday [13 May]. U.S. President Bill Clinton "will think that Hata is hopeless," Kan Kato, chairman of the Tax Commission, told a scheduled news conference after a panel meeting.

Regardless of the political situation, the advisory panel to the prime minister will "definitely" issue its report in June before the Naples summit of Group of Seven (G-7) major industrial nations in July, Kato said, stressing that a detailed tax reform plan has become an international commitment.

Japan vowed in its March market-opening package to make a decision on tax reform, including permanent tax cuts, by July and to turn it into law by the end of the year, in reaction to U.S. criticism that 6 trillion yen in tax cuts limited to the current fiscal year is insufficient to boost domestic demand and thus help curb persistent trade surpluses.

Kato also said that if Hata wants a long-lasting rule, he should present concrete plans for administrative reform to win public support for the tax reform which is to include a heavier burden on taxpayers through offsetting tax hikes.

"Even if a cabinet holds a minority of seats in the Diet, no party will try to pull down a prime minister that has strong public support," Kato said.

He noted that in its June report the panel intends to call on the government to pave the way for tax reform, particularly citing spending cuts, deregulation to spur market activity, and other administrative changes. "The government should stop just saying that it will conduct administrative reform without showing concrete plans," Kato said, noting that only one-third or one-fourth of past initiatives have been implemented so far.

The panel wants to show the direction for cutting and hiking taxes as well as to revamp the current consumption tax system for a more efficient taxation, the chairman said. But he noted he is still not sure whether concrete figures will be included.

Kato said earlier that the report will cover various options for politicians to decide on later, and added at the Friday press meeting that it will be an interim report, with a final report to be issued at the end of the year for fiscal 1996 tax revision.

Development of Multimedia Projects Viewed

*OW1305060394 Tokyo KYODO in English 0440 GMT
13 May 94*

[*'News Focus' by Keiji Urakami: "Multimedia Tests To Hasten New Technology Era"*]

[Text] Tokyo, May 13 KYODO—Both the government and the private sector are preparing to launch full-fledged experiments on multimedia across the nation from this summer in a move that will quicken the advent of the multimedia society in Japan.

The Posts and Telecommunications Ministry and Nippon Telegraph and Telephone Corp. (NTT), major backers of multimedia projects, say they are inundated with various inquiries from businesses aiming to tap an area with huge growth potential toward the next century.

"We are groping for ways to make multimedia services commercial," said Masashi Kojima, president of NTT, which recently outlined three types of experiments on the joint use of multimedia networks.

Test operations of high-speed, wide-band "backbone" telecom networks will begin in Tokyo, Osaka, Nagoya and seven other major cities across the nation from September, using a technology called the asynchronous transfer mode for the first time in the world.

The idea is to build high-speed local area networks, a large-amount file transmission system and a high-speed data retrieval system, an NTT official said.

A test of multimedia networking for general public use will be conducted in the 10 cities from the spring of 1995 to establish systems for high-grade electronic mail services and electronic newspaper.

NTT also plans to conduct an experiment on cable television services in seven urban areas from the spring of 1995, envisaging video-on-demand services that enable viewers to access movies and other video programs at their discretion.

Interested third parties will be invited to take part in each experiment, the NTT official said.

"By speeding up these experiments, we should lay a foundation that will lead to actual business opportunities," NTT president Kojima said.

The Electronic Industries Association of Japan forecast the market for multimedia-type hardware and software will grow to 17.66 trillion yen by 2015, a 4.6-fold jump from 1992.

Including infrastructure-related business, the sum will be 123 trillion yen, the posts ministry predicted.

A foundation set up by the posts ministry unveiled a 5 billion yen experimental project earlier this year to build a next-generation telecommunications network in Japan.

The project will offer a variety of information and communications services, such as teleconferences, visual phones and video-on-demand services, for three years from this summer in an area in Kyoto, choosing 300 households as model users.

"The experiment is intended to clarify economic feasibility and other problems involved in laying a nationwide optical-fiber network in the 21st century," said the foundation, called the Association for Promotion of New Generation Network Services.

Remote-control services in medical areas that use integrated services digital network (ISDN) technology will be tested by a government-private joint entity from this summer in Osaka and other kansai areas.

Nikon Corp., Fujitsu Ltd. and several other companies are researching, for example, ways of transmitting X-ray images taken at home to remote medical facilities, jointly with Kyoto University and Osaka University, said the Association of Broadband-ISDN Business Chance and Culture Creation.

Remote services under study by the association also include mail-order services using electronic catalogs, housing designs made by remote-operated computer graphics and remote editing and printing of books.

The city of Okazaki in Aichi Prefecture has been designated by the posts ministry as Japan's first model city for experiments of a multimedia network offering education and other public services.

Using the existing cable-TV network, students at selected schools will be able to access from this fall a vast amount of educational information collected by the city in the past 40 years, a spokesman in Okazaki said.

"Major school events like a student board meeting may be conducted via a teleconference system in the future," said the spokesman.

Analysts say the social infrastructure needs to be upgraded more in Japan for these multimedia experiments to be smoothly converted into commercial services in the near future.

Chuck Goto, a senior analyst at S.G. Warburg Securities (Japan) Inc., said the penetration of cable television, for example, is very low in Japan compared with the United States.

Software for multimedia also needs to be developed.

The Ueda Municipal Government in Nagano Prefecture has been assigned by the Ministry of International Trade and Industry to run a multimedia information center. The center will make citizens familiar with the convenience of multimedia by providing them with the opportunity to design audiovisual software using multimedia equipment.

But the project is on hold since nobody in the local government has expertise in multimedia operations.

"We are at a loss about what to put in the planned center," said an Ueda Municipal Government official.

North Korea

South's 'Combined Tactical Exercises' Decried

SK1305045094 Pyongyang KCNA in English 0436 GMT 13 May 94

[*"Perilous War Gamble Against North"—KCNA headline*]

[Text] Pyongyang, May 13 (KCNA)—The combined military exercises of the three services of the puppet army launched by the South Korean puppets on May 9 under the name of "combined tactical exercises for the first half of the year" are aimed at rounding off the posture of attack on the North according to the war policy of the U.S. imperialists, says NODONG SINMUN in a commentary today.

The news analyst points out:

The puppets, as they customarily do, are now advertising the war game as designed to cope with "a surprise attack" and "infiltration" of the North. But this is no more than a sophism to cover up their bellicose nature in aggravating the situation on the Korean peninsula on purpose and seeking only confrontation and war.

It is the U.S. imperialists and the South Korean warmaniacs who scheme a surprise attack and infiltration on the Korean peninsula. The South Korean puppets in league with the United States have worked out "new operational plan 5027", designed to unleash a war against the North. The United States has massed huge

aggression forces in and around South Korea and deployed Patriot missiles and attack helicopters in South Korea to inflict a nuclear holocaust upon the Korean nation. Some time ago Defense Secretary Perry, the war boss of the U.S., flew to South Korea to have war confabs.

The United States and the Kim Yong-sam puppet clique must know that the dangerous play with fire driving the situation on the Korean peninsula to the brink of war will bring nothing good to them.

Radio Reports 10-11 May U.S., ROK 'War Exercise'

SK1305043494 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 12 May 94

[Text] The U.S. imperialists and South Korean puppets conducted a war exercise for a northward invasion and aerial espionage.

According to military sources, on 10 and 11 May, the U.S. imperialists dragged fighter bombers carrying nuclear weapons, pursuit-assault planes, early-warning planes, and refueling planes from its overseas bases into South Korea and conducted a provocative aerial war exercise aimed at a northward invasion.

The war exercise was composed of a surprise attack on targets on the ground, support for ground attack, an attack in the air, and airborne operations. Mobilized intensively for this war exercise were airplane squadrons from U.S. bases in the Pacific area and some 560 fighter bombers, assault planes, observation planes, reconnaissance planes, and armed helicopters of the U.S. occupation Air Forces in South Korea and the puppet air force.

This war exercise was conducted mainly in the skies above Tokchok island, Yaju, Umsong, and Kuri under the command of E-3 early-warning planes known as aerial flight command post. Under the system of this war exercise, the KC-135's were refueling in the air the airplane squadrons flying from overseas bases into the South Korean skies.

This war exercise, which was conducted for two days according to the operations planned by the Pacific-based U.S. Air Force and Naval Headquarters, was a commotion of fire game [pulchangnan sodong] aimed at examining the actual combat capability of making a surprise attack for a northward invasion in cooperation with airplane squadrons from overseas bases, the U.S. occupation Air Force in South Korea, and the puppet air force.

In the meantime, E-3 early-warning planes flew from overseas bases into the South Korean skies every day in the period from 6 to 11 May to command airplane squadrons mobilized to war exercises for a northward invasion as well as to carry out electronic reconnaissance.

On 11 May, an RC-135 tactical reconnaissance plane moved out from an Okinawa base into the South Korean skies and carried out electronic reconnaissance on areas in the northern half of the Republic while flying for a long time in the skies above Tokchok island, Uijongbu, Yanggu, and Kansong.

Encouraged by the U.S. imperialists, the South Korean puppets were frenzied in firing guns and increasing armed troops in an area adjacent to the Military Demarcation Line [MDL].

The puppets mobilized and deployed a large-caliber gun unit in an area near Myongho-ri, Kosong County, Kangwon Province on 11 May, and dragged military vehicles carrying hundreds of armed rascals into an area near Mago-ri, Yonchon County, Kyonggi Province that day.

Prior to this, on 10 May, after occupying firing positions at Kumpa-ri in Paju County and Chokko-ri in Yonchon County, tank units and large-caliber artillery units of the puppet army fired some 50 bombs at areas adjacent to the MDL in the DMZ. Another group of puppet army's armed rascals that occupied at Pangmok-ri in Paju County fired some 500 shots of large-caliber machine guns and automatic rifles at random, while making a raid toward the MDL.

The South Korean puppets' planned war exercise commotion that is conducted everyday is a grave challenge to detente and peace on the Korean peninsula.

Radio Reports 11 May U.S.-ROK Exercise

*SK1305090294 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 12 May 94*

[Text] According to Seoul radio reports, while conducting a joint tactical exercise for the first half of this year, on 11 May the U.S. imperialists and the puppet clique mobilized tactical planes of the puppet Air Force and the U.S. Air Force to conduct a takeoff, landing, and sortie exercise on an emergency airstrip in South Korea.

That day, the U.S. imperialists and the puppets were frenzied in a war exercise for a Northward invasion, including aerial mobile exercises and weapons supply exercises, by mobilizing various military planes, including F-16's and F-4's.

The U.S. imperialists and the Kim Yong-sam nation-selling, traitorous clique are accelerating the provocative war exercise for a Northward invasion, amplifying the new war danger on the Korean peninsula.

Commentary Denounces U.S.-ROK Exercises

*SK1305092994 Pyongyang Korean Central
Broadcasting Network in Korean 1222 GMT 12 May 94*

[Commentary by Yun Pyong-son: "The Provokers Will Pay a Dear Price"]

[Text] According to news reports, the U.S. imperialists and the South Korean puppets recently mobilized the puppet Marines and U.S. imperialists' aggressive Marines to the East Sea of Korea to once again conduct a provocative exercise for strengthening joint air transportation and night exercises.

During the military exercise, which was conducted under a signboard of a so-called exercise for improving interoperability, the U.S. imperialists and the South Korean puppets exercised as if in actual combat by landing Marine troops with transporters and helicopters in assumed enemy territory; bombing major facilities and obstacles, including dams and bridges; and eliminating the opponent's troops after infiltrating special Marine troops and helicopters.

This dangerous fire game [puljangnan] aimed at attacking the inland of the Northern half of the Republic clearly shows how the U.S. imperialists and the South Korean puppets are frantically running to provoke a new war.

As everyone knows, an extremely grave situation is being created on the Korean peninsula. The U.S. imperialists are gathering aggressive forces on a large scale in South Korea and the adjacent areas in order to put in actual practice the northward invasion war plan dubbed "New Operation Plan 5027," which they devised with the puppets.

Apache attack helicopters and new Patriot missiles have already been deployed for mobile warfare to South Korea. According to data, in case of an emergency on the Korean peninsula, the U.S. military is devising a plan to deploy 600,000 soldiers, over 200 ships, and 1,600 aircraft from the mainland of the United States within 80 days.

On the other hand, the war maniacs, including the U.S. defense secretary, are making a series of ruthless remarks that a preemptive attack against North Korea would not be ruled out and that they would even risk a war.

Along with the U.S. imperialists, the Kim Yong-sam clique is also running wild in war exercises to harm fellow countrymen putting the entire puppet Army under an around-the-clock alert posture. At present, large-scale wild war exercises are being jointly conducted by three services of the puppet Army, Navy, and Air Force in the sky, on the land, and in the sea of South Korea.

Apart from this, another military exercise is being conducted and South Korea is literally turning into an actual combat exercise field for northward invasion war exercises. There, the day dawns with war exercises and the night falls with war exercises. As we can see, the U.S. imperialists and the South Korean puppets are trying to kindle a war on the Korean peninsula by all means and their war mania is reaching extremes.

Due to the provocative maneuvers of the U.S. imperialists and the Kim Yong-sam puppet clique for a new war,

the situation on the Korean peninsula is developing into a phase of a dangerous war that could explode any minute.

What is making us more outraged is that the puppets are describing the provocative northward invasion war exercise as contributive to the peaceful settlement of the Korean peninsula. They are indeed shameless.

War exercises and peace can never be parallel. Peace cannot be achieved when war exercises continue. How can one say that it is contributive to peace to join outside forces to sharpen the sword to harm fellow countrymen and to lead the situation to a crisis of a brink of war? The puppets cannot conceal the provocative character of the war exercises or their bellicose nature by any deceptive talk.

The U.S. imperialists and their hunting dog the Kim Yong-sam puppet clique are trying to shake our socialist system with a reckless war commotion, but it is as foolish and stupid as trying to break a rock with an egg.

We want peace, but will never beg for it. We do not want war, but will never fear it. If the rascals dare to kindle the fire like a puppy not knowing of a tiger's threat, our people and People's Army, who have a firm self-reliant national economy and strong national defense power, will pay back with retaliatory strikes [pobok tagyok] that are thousands and hundreds times more severe [hodoen].

The U.S. imperialists and the South Korean puppets, who are stirred up by northward invasion war fever, must clearly know that provokers will pay a dear price and must not run recklessly.

U.S. Attitude on Nuclear Issue Viewed

SK1305104994 Pyongyang KCNA in English 1036 GMT 13 May 94

[Text] Pyongyang, May 13 (KCNA)—The ulterior intention of the U.S. in declaring nuclear non-proliferation the "basis of its state diplomacy" is based on its hegemonistic mode of thinking and is aimed at isolating and stifling the DPRK and other countries by taking issue with their peaceful nuclear activities under the pretext of "preventing nuclear proliferation".

A spokesman of the DPRK Institute of Disarmament and Peace made the remarks in an interview with KCNA today concerning the Clinton administration's declaration that nuclear non-proliferation is the "basis of its state diplomacy."

He told KCNA:

The United States developed nuclear weapons before any other country and was the first to use them in World War II. With the beginning of the cold war between the bipolar blocs, the number of the recognised nuclear-weapon states grew to five.

Each time agreements on limited abolition of nuclear weapons were signed, mankind watched them with hopes for the future of nuclear disarmament. However, the status of the nuclear-weapon states is still maintained and public concern is growing over nuclear arms development in other countries.

International studies estimate that most of the Western countries have experience in nearly completing the development of nuclear weapons after World War II and have material and technological foundations to manufacture nuclear weapons without much difficulty, once determined.

Especially, the development of nuclear weapons in Japan and South Korea has gone beyond the limit of international apprehension and Israel is known to have produced and possess nuclear weapons.

The United States and some Western countries suspect that certain countries in the Middle East and South Asia, South Africa and some countries of South America are engaged in nuclear development for military purposes, though the suspected countries contend that their nuclear activities are for peaceful purposes.

With the emergence of nations of the Commonwealth of Independent States possessing nuclear weapons after the collapse of the Soviet Union in recent years, the problem of nuclear weapons involves many more countries worldwide.

As seen above, the nuclear problem assumes a very wide and complicated international character. Therefore, international efforts for nuclear non-proliferation must be directed to reducing and abolishing the existing nuclear weapons in keeping with the post-cold war trend, and must be concentrated on preventing the nuclear activities of those countries that actually intend to develop nuclear weapons and have enough potentials for this.

On the contrary, the United States is continuously promoting the modernisation of its own nuclear weapons and conniving at the dangerous nuclear gamble of its allies or some other countries, while throwing doubt upon the peaceful nuclear activities of the DPRK and other countries that go against the grain with it and even calling for "sanctions" against them.

At the meeting of the disarmament commission of the United Nations which ended on May 7, many developing countries charged that the nuclear-weapon states had not stopped the production and modernisation of nuclear weapons while paying attention only to nuclear non-proliferation rather than to nuclear arms cutback. On the other hand, the United States and other Western countries busied themselves laying stress on strengthening the "nuclear non-proliferation system" and enhancing the "role of the U.N. Security Council" in such a manner as to increase pressure and sanctions. This shows the unfair attitude of the United States toward nuclear disarmament.

The United States' double standard regarding the nuclear issue and its sinister political intention result in concealing and encouraging the nuclear ambitions of many countries.

While the United States is resorting to a fruitless campaign over the DPRK's peaceful nuclear activities, the development of nuclear weapons in some countries has reached a more dangerous line under its shade. This will have a grave irrevocable impact on the international nuclear non-proliferation system in the future.

If the United States renounces its hostile policy toward the DPRK and takes the position of respecting its independence and carrying out the steps of joint action, the nuclear issue on the Korean peninsula will be settled smoothly and equitably. This will mean a contribution to international nuclear non-proliferation.

Greenpeace Appeal for Nuclear Withdrawal Noted

*SK1305043394 Pyongyang KCNA in English 0421
GMT 13 May 94*

[Text] Pyongyang, May 13 (KCNA)—The members of Greenpeace published an appeal on May 3 urging the United States to completely withdraw its nuclear weapons and nuclear-equipped warships from northeast Asia.

Noting that the nuclear nonproliferation treaty [NPT] has not stopped nuclear proliferation but has become a cause of the proliferation of nuclear weapons, the appeal stressed that the signatories to the NPT must not extend the period of its validity but ban the nuclear weapons as illegal and place all plutonium and other fissionable materials under international safeguards for ever.

It said that with a view to proceeding to a universal and comprehensive disarmament, all the nations must give up nuclear weapons and the United States must fully play its role in reducing its nuclear arsenal, beginning with the complete withdrawal from northeast Asia of its nuclear weapons and nuclear-armed and nuclear-capable warships.

Democratic Front in South Urges Anti-U.S. Struggle

*SK1305102094 Pyongyang KCNA in English 1004
GMT 13 May 94*

[Text] Pyongyang, May 13 (KCNA)—The Central Committee of the South Korean National Democratic Front (Hanminjon) on May 10 issued an appeal on the occasion of the 14th anniversary of the Kwangju popular uprising, calling upon the South Korean people of various strata to rise in the nationwide struggle for anti-U.S. independence, according to Seoul-based radio Voice of National Salvation.

The Kwangju popular uprising was sparked by the frantic repressive offensive the U.S. imperialists and

their stooges "Yusin" remnants launched after proclaiming the "Emergency Martial Law" all over South Korea in May 1980. It was an anti-U.S., anti-fascist resistance and a death-defying massive armed uprising against the fascist suppression.

Our people suffered a terrible disaster in Kwangju 14 years ago owing to the United States, the appeal says, and continues:

Before the grudge of those days vanishes, the cursed United States is bringing a horrible nuclear holocaust to our people and our nation.

The United States is running amuck in putting pressure on the North even through the United Nations in a bid to open the way out for the U.S. war industrial complexes facing marketing difficulties with the end of the cold war and to jumpstart the sluggish U.S. economy by turning the land of our country into a nuclear war theatre and making our nation a sacrifice of a nuclear war.

Our nation cannot overlook the present grave situation.

Our nation must determinedly rise in a struggle to get the U.S. troops and nuclear weapons fraught with nuclear holocaust withdrawn from South Korea and to smash the U.S. pressure to open rice and weapon markets.

Let us all put an end to the colonial rule and intervention of the U.S. imperialists and retake the sovereignty of the nation with the nationwide anti-U.S. struggle.

Let us all overthrow Kim Yong-sam, the arch traitor to the nation, who has reduced South Korea to a colony and nuclear forward base of the United States and is scheming to ignite a nuclear war in this land, and realize the sovereignty of the nation.

Kim Yong-sam's 'Separatist' Remarks Denounced

*SK1305102394 Pyongyang KCNA in English 1008
GMT 13 May 94*

[Text] Pyongyang, May 13 (KCNA)—The traitor Kim Yong-sam recently at a party in "Chongwadae" [presidential offices] contended that the reunification of the country is "fantasy" and "unification concept must be discarded."

Commenting on this, MINJU CHOSON today brands this as an unpardonable separatist remark against reunification.

The news analyst says:

To reunify the divided country is the supreme desire and the most urgent task of the nation.

The traitor Kim Yong-sam's remarks denying reunification itself are an intolerable insult and challenge to the 70 million Koreans who crave for national reunification and fight for its realisation.

He not only utters words against reunification but also works hard to block the peaceful reunification of the country.

It is none other than the Kim Yong-sam puppet clique that categorically opposed the ten-point programme of the great unity of the whole nation, a common reunification charter of the nation, turned down the North-proposed convocation of a national conference for national reconciliation, unity and reunification, frustrated the exchange of special envoys between North and South, totally blocked North-South dialogue and drove the North-South relations to confrontation and the brink of war.

The traitor Kim Yong-sam must clearly see the trend of the times, refrain from separatist acts against reunification and step down as demanded by the people.

Student Demonstration in Seoul 12 May Noted

SK1305050094 Pyongyang KCNA in English 0431 GMT 13 May 94

[Text] Pyongyang, May 13 (KCNA)—More than 500 students affiliated with the Seoul Eastern District Federation of General Student Councils of South Korea (Tongchongnyon) held a rally at Sejong University in Seoul on May 12, at which they demanded a probe into the truth behind the death of a student of Sejong University Chang Tok-su who was hit by a live bullet in the reserve force training on May 3 and the punishment of those responsible.

The students took to the street and held a demonstration, fighting the riot police.

Daily Warns Japan Against 'Reinvasion' Plans

SK1305045994 Pyongyang KCNA in English 0440 GMT 13 May 94

["They Are Digging Their Own Grave"—KCNA headline]

[Text] Pyongyang, May 13 (KCNA)—The Japanese ruling quarters are trying to install a legal and institutional mechanism for overseas aggression which the preceding successive cabinets dared not do and to gratify at any cost their desire to invade Korea again in reliance on it.

Commenting on this, a NODONG SINMUN analyst today says:

Japanese Foreign Minister Koji Kakizawa told a press conference on May 10 that Japan was examining "emergency legislative arrangements" for a counteraction of the "self-defence forces [SDF]" to a possible "emergency situation" on the Korean peninsula.

The "emergency legislative arrangements" examined by the present cabinet are aimed at laying a legal foundation for sending "SDF" forces to the Korean peninsula any

moment and paving the way for a legal comeback to Korea. In talking about a possible "emergency situation" on the Korean peninsula, they want a propaganda effect to build up public opinion favoring "emergency legislative arrangements" by fostering the consciousness of crisis among the people.

Truth to tell, the Japanese reactionaries are watching for a chance to invade Korea, having made legal, ideological and military preparations.

In crying over the "nuclear threat" of the DPRK and connecting it with the "security" of Japan, they are trying to invent a pretext for reinvasion.

If Japan dare embark upon reinvasion, it will be digging its own grave.

Commentary Denounces Transfer of Japanese Fleet

SK1305011694 Pyongyang Korean Central Broadcasting Network in Korean 1220 GMT 11 May 94

[Commentary by Kim Ho-sang: "The Japanese Reactionaries Should Not Act Recklessly"]

[Text] Recently in Japan, extremely grave military moves have cropped up. The Japanese reactionaries are moving its fleet close to the Korean peninsula from its port on the Pacific Coast.

According to foreign reports, the Japanese authorities are reportedly moving its naval fleet to Kure Port in the western part of Japan from Yokosuka Port on the Pacific Coast. Regarding this, officials of the Japan Defense Agency are claiming innocence, saying that such a move was taken because of overcrowding at Yokosuka Port. Nevertheless, world public opinion does not take them at their word. Reporting on this, the U.S. paper DEFENSE NEWS exposed that this is aimed at gaining easy access on the East Sea of Korea in case of an emergency on the Korean peninsula. The U.S. paper's evaluation is by no means groundless.

Recently, the Japanese Government authorities and military class have taken to babbling a lot about the regional security of northeast Asia. Accusing us of developing nuclear weapons, they are calling for joint measures under the premise of our threat to the security of northeast Asia.

The Japanese authorities are driveling that the tripartite operational system should be set up among the United States, Japan, and South Korea at the earliest possible date as a way to take joint measures. What is more, they are raising a clamor that their armed forces should serve a similar purpose as the U.S. Armed Forces stationed in Japan. The transfer of a naval fleet to Kure Port in the western part of Japan, which is within a stone's throw from the western sector of the Korean peninsula, from Yokosuka Port, was a step taken in accordance with this.

Such ill-boding movements have been perpetrated in a full-fledged manner ever since the U.S. defense secretary visited Japan and the puppet South Korean defense minister and the director general of the Japan Defense Agency have even gone so far as to hatch a plot. We cannot but take a particularly serious view of this.

The main topics discussed at the confab among the United States, Japan, and South Korea were, maintaining the international cooperative system against us, and taking joint steps against our nuclear development. In particular, during the talks between the puppet South Korean defense minister and his Japanese counterpart, the two sides agreed on mapping out responsible countermeasures [chaegiminnun taegungchaek] while babbling about regional security. It goes without saying that this reflects the Japanese reactionaries' attempt at another invasion.

The recent transfer of their naval fleet to Japan's western part from Yokosuka Port can be seen as a military step to implement their re-invasion attempt. Already, the Japan Defense Agency has moved its Self-Defense Armed Forces from northern parts of Japan, like Hokkaido, to the western part of Japan, which is not far from our Republic. Hence, it has become clear to everyone that the Japanese Army Self-Defense Force and its Naval Self-Defense Force could be immediately dispatched to Korea if a war were to break out on the Korean Peninsula.

What needs to be noted seriously is that newly appointed Foreign Minister Kakizawa of the Hata cabinet, in a news conference, disclosed that several Japanese Government posts are closely examining the enactment of an emergency law enabling the Self-Defense Forces to handle the situation in the event of a contingency on the Korean peninsula. This is tantamount to openly revealing their attempt of invasion by saying that they would prepare a new legal foundation for the dispatch of their armed forces at any time by amending the present law which bans the dispatch so as to immediately mobilize its forces in the event of contingency.

As a matter of fact, the director general of the Defense Agency of the Japanese cabinet had once revealed that the working preparations for the amendment of the law were almost complete. Saying that several Japanese Government posts are reviewing the dispatch under such conditions implies that the enactment of the law preparing against emergency which has been mapped out by the Japanese authorities for a long time is in its final stage.

The Japanese Dietmen are reportedly discussing the protection of Japanese residents in South Korea in an emergency. Imperialists always come out with excuses that it is for the protection of their people, when attacking other country with arms. The case in Grenada and Panama are clear proof of this. As the U.S. imperialists did in the past, the Japanese authorities are trying

to jump into a war with preposterous excuses in the event that a war breaks out on the Korean peninsula.

As we can clearly see from the above cases, Japan has deployed its naval forces near the Korean peninsula and is attempting to complete the legal basis for outside invasion. It has even reached the stage where the Diet is discussing ways to find excuses for entry into a war. However, the Japanese militarists' ambition for overseas expansion would only bring about Japan's destruction. This is the lesson that recent history has taught. Japan should learn from its past and should not act recklessly.

Luncheon for Chongnyon Group Held in Tokyo

*SK1305104294 Pyongyang KCNA in English 1015
GMT 13 May 94*

[Text] Tokyo, May 11 [date as received] (KNS-KCNA)—A luncheon party was given in Tokyo Monday in honor of the congratulatory group of Korean residents in Japan, which had visited the homeland to celebrate April 15, the birthday of the great leader Generalissimo Kim Il-song.

Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), who headed the group, said in his report:

We saw the people of the homeland pushing ahead with the socialist construction full of confidence of certain victory and revolutionary optimism under the wise guidance of the great leader Generalissimo Kim Il-song and the dear leader Marshal Kim Chong-il.

We realised that Chongnyon would always emerge victorious as we have the socialist homeland of chuche.

He expressed his determination to defend the socialist homeland as well as Chongnyon with their lives to the last, unshaken by any anti-DPRK, anti-Chongnyon move, and successfully carry out all patriotic tasks facing Chongnyon including the struggle to bring into practice the 10-point programme of the great unity of the whole nation.

Koreans in Russia Oppose Repatriation to ROK

*SK1305024794 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 11 May 94*

[Text] The organization of Korean residents in Russia sent a letter of protest to the Japanese Consulate General and the puppet Consulate General in Russia condemning the maneuvers of the nation-selling, treacherous clique and the Japanese reactionaries to lure Korean compatriots residing in Sakhalin Oblast into South Korea.

The letter of protest revealed and denounced the fact that in mid-January, the South Korean puppet authorities waged a negotiation commotion with the Japanese Government in a bid to lure Korean compatriots in

Sakhalin into South Korea and kicked up a commotion of grasping those who have submitted an application for their repatriation to South Korea for permanent residence under the name of an on-the-spot, fact-finding team.

The letter indicated: The South Korean authorities's attempt to settle the issue on the Korean compatriots residing in Sakhalin in return for receiving small monetary compensation from the criminals in disregard of its political nature is a criminal act which cannot be tolerated in light of our nation's dignity and interests. This is not only an insult to the 70 million fellow countrymen and a mockery to the nation, but is also a vicious, brigandish act of alienating overseas compatriots from the government of the Republic and, furthermore, of completely trampling the lofty ideal and dream of people who aspire a reunified fatherland and are devoting themselves to it.

In the name of Korean residents in Russia, the organization of Korean compatriots residing in Russia bitterly condemns the South Korean authorities' act of attempting to replace the nation's dignity and interests with small monetary compensation, and brands the act as a shameless political swindle and fraudulence to cheat and mock at our compatriots.

Noting that, under the mask of humanitarianism, the South Korean puppet authorities are hellbent on conducting propaganda to cheat the Korean compatriots in Sakhalin because they aim heinously to lure them into building an anti-Republic lot in the Far East region, and to perpetuate the country's division in order to block the struggle of compatriots for national reunification by inspiring the consciousness of discord and confrontation within the nation, the letter of protest continued: The Korean compatriots residing in Russia sternly declare its opposition to and rejection of the heinous and cunning maneuvers of the South Korean authorities and the Japanese authorities to calculate, to the end, all crimes committed by the Japanese imperialists in the past, and not to tolerate the South Korean authorities' maneuvers to sell out the nation's interests and dignity by fluttering and submitting to Japan.

The South Korean authorities should immediately renounce the antinational and antireunification maneuvers of settling the issue of Korean compatriots residing in the former Soviet Union region and the Sakhalin Oblast with mere monetary compensation in collusion with the Japanese Government.

The Japanese authorities should apologize before all of the Korean people for all the criminal acts that they committed against our people in the past, and fully compensate for them and should no longer commit acts hindering the independent reunification of Korea.

The South Korean authorities and the Japanese authorities should know that if they continue to commit a rash and reckless act without giving heed to the serious warning of the Government of the Republic and the 70

millions of fellow countrymen to cling to the base plot to move Korean compatriots in Sakhalin to South Korea they will not be able to escape the responsibility for the crime of having insulted and abused the lofty ideal of humanitarianism, will suffer greater disgrace and defeat before the world, and will receive the justice of history.

Meeting Marks Korea-Iran Friendship Week

*SK1305044894 Pyongyang KCNA in English 0427
GMT 13 May 94*

[Text] Pyongyang, May 13 (KCNA)—A week of Korea-Iran friendship was set on the lapse of five years since Seyed Ali Khamenei, leader of the Islamic revolution of Iran, visited the Democratic People's Republic of Korea.

A meeting was held here on Thursday to open the week.

Invited there were a delegation of the Iran-Korea Friendship Parliamentary Group led by MP Khodakaram Jalali, head of the Agricultural Commission of the Islamic Consultative Assembly and chairman of the group, on a visit to Korea, and Saeed Lashgari, charge d'affaires ad interim, and officials of the Iranian Embassy in Korea.

Chong Ha-chol, chairman of the Radio and TV Broadcasting Committee of the DPRK and chairman of the Korea-Iran Friendship Association, and other officials concerned were present together with working people in the city.

Speeches were exchanged at the meeting. The participants saw pictures on show.

Foreign Party Leaders Greet Kim Il-song

*SK1305050194 Pyongyang KCNA in English 0418
GMT 13 May 94*

[Text] Pyongyang, May 13 (KCNA)—Messages of greetings came to the great leader President Kim Il-song from foreign party leaders on his birthday.

The messages came from Inaam Raad, chairman of the Nationalist Socialist Party of Syria in Lebanon; Angel Castro Lavarello, president of the National Executive Committee of the Left Revolutionary Union of Peru; Milud Al Mahdabi, general secretary of the permanent Secretariat of the Organization of Socialists in the Mediterranean; and John Odum, leader of the Progressive Labour Party of Saint Lucia.

They extend warmest congratulations to President Kim Il-song and wish him good health and a long life.

They also express firm solidarity with the Korean people in their struggle for the peace and peaceful reunification of the Korean peninsula.

Seminars on Kim Chong-il's Works Held Abroad

*SK1305104194 Pyongyang KCNA in English 1011
GMT 13 May 94*

[Text] Pyongyang, May 13 (KCNA)—A seminar on "On the Chuche Idea," a famous work of the dear leader Comrade Kim Chong-il, was held in Stockholm.

Lectures were given at the seminar on the subjects "The Philosophical Principle of the Chuche Idea," "The Masses of the People Are the Motive Force of Social History," "Human History Is a History of the People's Struggle for Independence," etc.

In his speech Pas Mylly, chairman of the Swedish Committee for the Study of the Chuche Idea, said that the chuche idea has been successfully applied to the reality of Korea and that President Kim Il-song and Comrade Kim Chong-il, basing themselves on this idea, have shaped magnanimous politics, placing trust in all the masses of the people.

Meanwhile, a seminar on "The Basic Principles of the Building of a Chuche Revolutionary Party" from the work "On the Fundamentals of Revolutionary Party Building" was held by the Dar es Salaam group for the study of the chuche idea in Tanzania and a seminar on the work "Abuses of Socialism Are Intolerable" by the institute of journalism branch of the Ghanaian National Institute of the Chuche Idea.

Foreign Groups Reported To Condemn U.S. 'Rumors'

*SK1305104394 Pyongyang KCNA in English 1020
GMT 13 May 94*

[Text] Pyongyang, May 13 (KCNA)—Political parties and organizations of different countries have condemned the United States and the International Atomic Energy Agency for spreading the rumour about fictitious "development of nuclear weapons" by the DPRK to aggravate the situation on the Korean peninsula.

The Mozambican Committee for Friendship with the People of the DPRK said in a statement April 23 that the IAEA manipulated by the United States is picking quarrel only with Korea, a non-nuclear state, while conniving at the production of nuclear arms in other countries.

If the U.S. and IAEA truly want global peace, they should destroy all nuclear weapons, check the nuclear development of Japan and South Korea and stop slandering Korea over the fictitious "nuclear issue", the statement said.

The Ghanaian National Institute of the Chuche Idea demanded in a statement April 10 that the United States discontinue the "Team Spirit" joint military exercises for good and stop at once the deployment of Patriot missiles in South Korea for peace and security of the world.

The Guyanese National Committee for the Study of the Chuche Idea of Comrade Kim Il-song, in a statement April 26, criticized the IAEA Secretariat and the UN Security Council for applying, under the U.S. patronage, the extremely discriminatory and prejudiced double standard to the "nuclear issue" of the DPRK.

The Nepal Workers and Peasants Party, in a protest letter addressed to the U.S. President on May 1, branded the stepped-up preparations of the United States to resume joint military exercises against the DPRK, a socialist state, as an act of disturbing global peace, especially peace and security in the Korean peninsula.

It urged the United States to immediately withdraw its nuclear weapons, over 40,000 troops and Patriot missiles from South Korea.

Foreign Media Condemn U.S. Acts Against DPRK

*SK1205223294 Pyongyang KCNA in English 1503
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—Foreign news media condemned the United States and its followers for kicking up a row of "nuclear suspicion" against Korea.

The Syrian paper NIDAL AL SHA'B said the United States has schemed to open all facilities of people's Korea through the International Atomic Energy Agency [IAEA] and instigated the IAEA to put pressure on Korea to bring it to its knees.

The paper exposed that the purpose of the row of "nuclear suspicion" by Washington that shipped nuclear weapons into the Korean peninsula is to make people's Korea kneel down, not to prevent the proliferation of nuclear weapons.

A Czech paper charged that even after the Democratic People's Republic of Korea had sincerely implemented the agreed points reached at the DPRK-USA contact in New York, the United States put forth an unreasonable precondition, spreading a rumour that North Korea is not only producing nuclear weapons but also intending to "attack" South Korea.

The act of the United States is a laughing-stock of the world, said the paper.

The Mozambican magazine TEMPO noted that it is a gross violation of the U.N. charter that the United States reversed the agreed points of the DPRK-USA contact in New York and brought the "nuclear issue" to the United Nations.

The magazine stressed that the U.N. Security Council should refrain from violating the U.N. charter to follow the lead of the United States and the United States should withdraw all its Armed Forces of aggression including nuclear weapons from South Korea and take a sincere attitude toward the DPRK-USA talks.

Foreign Groups Urge Repatriation of Prisoners

SK1305104494 *Pyongyang KCNA in English* 1024
GMT 13 May 94

[Text] *Pyongyang*, May 13 (KCNA)—The South Korean authorities must no longer detain Kim In-so and Ham Se-hwan, old men who had suffered in prison for more than 30 years, but unconditionally send them back to the Northern half of Korea where their families and relatives are waiting, urged the Ghana-DPRK Friendship Association in a letter sent to the South Korean Red Cross on April 21 demanding the repatriation of the unconverted long-term prisoners, Kim and Ham.

The letter expressed regret at the fact that the South Korean Red Cross was still failing to exert efforts for the two old men's repatriation. To meet their demand for repatriation is a just and fair behavior in view of humanitarianism and the international law, it noted, urging the South Korean Red Cross to help so that Kim and Ham may return to the DPRK without delay.

The letter strongly demanded that the South Korean authorities abrogate the "National Security Law" and set free all the prisoners of conscience including unconverted long-term prisoners in South Korea.

WPK's Hwang Meets Tanzanian Youth Delegation

SK1205230694 *Pyongyang KCNA in English* 1505
GMT 12 May 94

[Text] *Pyongyang*, May 12 (KCNA)—Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop today met and friendly conversed with a delegation of the Tanzanian Youth Union headed by its General Secretary Sukuwa S. Sukuwa.

Present there was Choe Hyon-tok, vice-chairman of the Central Committee of the League of Socialist Working Youth of Korea.

South Korea

PRC Sent DPRK 'Warning' on Inspections

SK1305050894 *Seoul CHUNGANG ILBO in Korean*
13 May 94 p 1

[Mun Il-hyon from Beijing]

[Text] It has been learned that China recently sent an official warning message to North Korea urging it not to change nuclear fuel rods by itself without the presence of the International Atomic Energy Agency [IAEA] and to allow additional inspections by the IAEA at the earliest possible date.

In particular, China sternly warned that changing nuclear fuel rods on North Korea's own would be a definite violation of the Nuclear Nonproliferation

Treaty and would result not only in terrifying denunciation from the international community, but also in making sanctions against North Korea inevitable.

The above was revealed by a high-level diplomatic source in Beijing on 12 May who added: "The strong warning from China was an important motive behind North Korea's recent announcement to allow the additional inspections by the IAEA and to postpone the changing of nuclear fuel rods.

U.S.-DPRK 'Working-Level' Contact Reported

SK1305023494 *Seoul YONHAP in English* 0221 GMT
13 May 94

[Text] *Washington*, May 12 (YONHAP)—The United States and North Korea held working-level talks in New York Thursday but a few issues were left dangling that make future prospects uncertain, sources here said after the contact.

Gary Samore, director of nonproliferation at the State Department, and Kenneth Quinones, from the North Korea section at the Department, attended the one-hour mid-level contact with Han Song-yol, counselor for political affairs at the North Korean Mission to the United Nations, officials said.

North Korea refused to say whether it has started changing the fuel rods at its 5-megawatt reactor or whether it will postpone the process, according to the officials.

It instead urged the Americans to open the next round of North Korea-U.S. high-level dialogue so that this issue can be negotiated, they said.

Postponement of the refueling is a condition for International Atomic Energy Agency (IAEA) inspection of North Korean nuclear facilities. The agency told *Pyongyang* earlier this week it would send an inspection team "on the assumption" that North Korea was deferring the changing of the rods.

Officials here said the uncertainty over the nuclear reactor and the rods is making the IAEA uneasy about sending the inspection team.

They said it remains unclear whether the agency will go ahead and send the team to *Pyongyang* this weekend or wait for an official reply from North Korea before deciding on the dispatch.

"It's more correct to say that the situation right now has a lot of unclear issues than to say that it is uncertain," said one official.

Although speculation has it that the North Korea-U.S. high-level dialogue will take place late this month, there is a chance the meeting may be put off until June.

Correspondent Nam Sin-hyon Reports

*SK1305004994 Seoul KBS-1 Radio Network in Korean
2300 GMT 12 May 94*

[Text] Another working-level contact between North Korea and the United States for the settlement of the North Korean nuclear issue was held in New York early this morning, three days after the previous contact.

The contact was held after North Korea had announced it would allow International Atomic Energy Agency [IAEA] inspections. The following is a report by correspondent Nam Son-hyon from New York:

[Begin Nam recording] The United States and North Korea had a chief and counselor-level working contact for over an hour early this morning to discuss allowing additional inspections [chuga sachal] and the third round of high-level talks.

As the contact was held only a few days after the previous contact on Tuesday and right after the IAEA's announcement of its decision to send an inspection team, a well-informed source said that this implies that a breakthrough will be provided soon through U.S.-North Korea negotiations.

The source said that there had been very positive contents in today's working-level contact noting that the United States reiterated its position on the inspection of fuel rods, which was also mentioned in the previous contact, and that North Korea responded to this.

During today's working-level contact, the United States urged that additional inspections should be properly conducted and stressed that the schedule of the third-round high-level talks should be discussed in the course of observing the development of inspections. North Korea reportedly demanded to hold the third-round talks as soon as possible since additional inspections and regular inspections [chonggi sachal] will be conducted.

The two sides reportedly decided to let the problem concerning inspections of fuel rods be technically solved between the IAEA and North Korea, and to hold another full-scale working-level contact on the third-round talks next week when inspections will be under way. [end recording]

DPRK Boat Reportedly To Tow Russian Submarine

*SK1305025494 Seoul YONHAP in English 0208 GMT
13 May 94*

[Text] Tokyo, May 13 (YONHAP)—A North Korean tugboat anchored in Vladivostok harbor Thursday to tow an obsolete Russian submarine back to North Korea, the TOKYO SHIMBUN reported from the Russian Far East naval port Friday.

The North Korean boat is scheduled to pull up anchor and start towing the submarine Friday, the report said.

In November last year, Russia concluded a deal to sell 12 obsolete diesel-engine submarines to North Korea, and has already delivered one to the North Korean port of Najin in December.

But delivery has been suspended since January when the Western press first reported on the contract.

Although Russian officials in Vladivostok say the obsolete submarines are being sold to North Korea as scrap iron, Pyongyang reportedly plans to use them for military purposes, the Japanese-language newspaper said.

The paper quoted a Russian official as saying Moscow would deliver the remaining 10 submarines in the near future under the terms of the contract.

The official added the contract provides for the presence of Russian officials at North Korea's dismantling of the submarines for scrap iron, but Pyongyang has yet to issue entry visas to Russians to monitor the work, raising suspicions that the submarines will be used for military purposes, the newspaper said.

Media Reportedly Distorts Loggers' Situation

*SK1205120894 Seoul CHUNGANG ILBO in Korean
11 May 94 p 1*

[Article by Kim Sok-hwan]

[Text] President Kim Yong-sam said he will not rush the issue of bringing North Korean loggers who escaped from logging camps in Siberia into the ROK. Moscow is welcoming such a remark by stating that the ROK Government has now started to have a correct understanding of the situation.

It was pointed out that various reports in Seoul on the North Korean loggers were quite different from the actual situation in Siberia.

Seoul's reports quoting ROK policy-makers that 'there are signs of collapse in North Korea,' and that hundreds of North Korean loggers earnestly desire to defect to the ROK, have left ROK diplomats in Moscow and correspondents, who have examined the loggers' issue for over three years, very bewildered.

These reports were formulated as if all of the escapees wanted to defect to the ROK and that the motive for their defection was due to the desire for freedom and disillusion of the Kim Il-song regime. This is greatly different from the actual situation.

Without considering the other side's situation, the ROK Government dealt with this complicated diplomatic issue as if it was a domestic issue, and gave the impression that the ROK Government had decided to accept the North Korean loggers. This was brought about due to the misunderstanding of the actual situation.

Three years ago ROK media reported on the human rights issue regarding the North Korean loggers. In 1993

this issue was presented to the UN Human Rights Committee in Geneva. This resulted in Russia including an article on human rights in the agreement on North Korean loggers.

At that time the escapees appealed for help at the ROK Embassy in Moscow, various companies, and churches, and some of them married 'Koreans' living in Moscow or Russian women to obtain certificates of residence. Some other escapees were successful in escaping to the ROK.

A total of 170 North Korean loggers went to the ROK diplomatic missions in Moscow, Vladivostok, and Almaty to seek help. Officials of these diplomatic missions, however, estimate that many loggers made repeat visits.

It is also being argued that among the 170 loggers there are a considerable amount of people who are working as 'foreign currency money earners' roaming throughout the former Soviet Union after conspiring with the agents of the North Korean logging sites. The Russian daily (SIBODNYA) made an in-depth study of the North Korean loggers issue and supported such an argument.

(SIBODNYA) reports that the foreign currency money earners work and receive daily wages by working in plants and cooperative farms in the Khavarovsk region run by Russians because it is far easier to earn money than by working in the logging camps. They even ignore the date for their return to the logging camps and run away to the back country in Russia and marry Russian women to guarantee their status.

ROK Embassy officials analyze that except for a minimum number of escapees, most of them want to remain in Russia and work as businessmen if their status is guaranteed because they fear the fatal blow their families in North Korea may face.

Some of the escapees appeared in ROK media and appealed through tears for their situation. It is a fact, however, that some of them still exchange letters with their families in the North. This shows that there are loggers who are unclear about their status and purpose.

Therefore, officials in Russia point out that if the government truly has the intention of resolving this issue, they must not hold the view that "even just a few of the escapees must be taken to the ROK" before President Kim visits Russia.

Rather, voices are being raised that a measure must be established, after a more thorough investigation of the situation is carried out, so that it will not become a difficult issue which will make it hard to hold dialogue with North Korea.

Russia Protests Media Coverage of Logger Issue

*SK1205084494 Seoul YONHAP in English 0831 GMT
12 May 94*

[Text] Moscow, May 12 (YONHAP)—Moscow has protested to Seoul about the allegedly overheated media coverage in South Korea of the issue of North Korean escapees from Siberian logging camps, diplomatic sources here said Thursday.

The Russian Government has stated that it might reconsider the basic policy on the loggers previously agreed with Seoul, thereby putting bilateral relations in a high state of tension, according to the sources.

The two countries' foreign ministers met in Moscow last month to agree on a basic policy under which Russia would deal with the North Korean escapees according to its domestic law but from a humanitarian point of view. [sentence as received]

The agreement also calls on Moscow to give Seoul maximum cooperation if the North Koreans want to resettle in the South.

Seoul is devising concrete measures to help North Korean refugees resettle in South Korea—providing opportunities for vocational education and social adaptation training, for example.

Russia, however, took a tougher line when the loggers started receiving heavy coverage in the South Korean media, some of which compared the issue to the dismantling of the Berlin Wall in 1990.

The Russians, hoping not to further dampen relations with North Korea, expressed their bewilderment and dissatisfaction with such reports through a diplomatic channel to the South Korean Government, sources said.

Some Russian public security officials even suggested that Moscow should forget the earlier agreement with Seoul and not cooperate in dealing with the loggers, sources said.

A Russian Foreign Ministry official said the issue of the loggers would have already become a serious diplomatic problem had it not been for South Korean President Kim Yong-sam's scheduled visit to Moscow in June.

Working-level consultations among related ministries on resettlement of the North Korean loggers are under way in Moscow, but some ministry officials are apparently mindful of North Korea raising objections, sources said.

Some Russian Government officials said Moscow may allow some North Korean loggers go to the South on the occasion of President Kim Yong-sam's visit, but that it may stop if South Korean papers keep playing up the issue.

So despite President Kim's visit to Moscow, the logger problem may seriously damage bilateral relations, experts on Korean issues say.

Complicating matters, Russia is anxious to mend fences with North Korea.

The diplomatic experts said Russia is seeking good relations with North Korea in a bid to gain more influence in Korean affairs, including the nuclear dispute.

Russian Ambassador Interviewed on Logger Issue
SK1305081794 Seoul YONHAP in English 0809 GMT
13 May 94

[Text] Seoul, May 13 (YONHAP)—No North Korean logger has applied yet to come to South Korea or to settle in Russia, Moscow's ambassador to Seoul Georgiy Kunadze said Friday [13 May].

If there are any such requests, Moscow will handle them on a case-by-case basis, reviewing them carefully while taking into consideration the applicants' wishes from a humanitarian point of view, the ambassador said in an interview with YONHAP News Agency.

South Korean President Kim Yong-sam is scheduled to visit Russia in June.

On the timing of the first resettlement of North Korean loggers, Kunadze said that in addition to the screening process, a presidential decision is necessary on procedural matters and this always requires time.

Asked about North Korea's nuclear capability, the ambassador said that according to a recent special report by a Russian intelligence agency, there are no signs that Pyongyang has nuclear bombs or the ability to acquire them anytime soon.

But Moscow is concerned that the North Korean nuclear problem has been clouded by uncertainty for over a year. Kunadze expressed hope that the various channels of dialogue such as between North Korea and the International Atomic Energy Agency (IAEA), North Korea and the United States, and South-North Korea will make progress and succeed.

On compensation for the victims of a downed Korean air plane, the envoy said his home government is preparing a reply which will come soon.

The ambassador then commented on the North Korea-Soviet Friendship and Mutual Assistance Treaty that stipulates Moscow will automatically intervene in case of a war involving Pyongyang, explaining that Moscow's position is that the treaty remains in effect.

But the automatic intervention clause applies only to unprovoked military incidents, he said, and it is up to Russia to decide whether an incident was provoked or not.

He predicted that the issue involving the return of the old Russian legation site in Chung-dong, Seoul, is unlikely to be solved by the time President Kim visits.

But he suggested that the two sides are near an agreement, saying the matter might be resolved in the near future.

The ambassador discussed South Korean-Russian technology cooperation in the defense industry, emphasizing that no obstacles exist and such links will be of mutual benefit.

But there should be no double standards and no political influence in trying to boost cooperation, he said.

DPRK Reportedly Facing 'Worst Food Crisis'
SK1305085594 Seoul TONG-A ILBO in Korean
13 May 94 p 2

[Report by Kim Chung-kun from Beijing]

[Text] Chinese sources knowledgeable in North Korean affairs reported on 12 May that North Korea is faced with "the worst food crisis in history" because its supply of reserve food has been depleted due to the grain damage caused by the cold weather last year and because it no longer receives food support from China, its major food supplier.

To solve the serious food problems, North Korea has for the past month allocated such raw materials as iron stock, which is conserved by the central government, to each local government to be exchanged for emergency food with the border areas of China and Russia, according to the sources.

North Korea even tacitly permits the disposal of antiques designated as cultural property and rare animals and plants by individuals or groups that are able to contact foreign countries.

People's government officials of Saebyol County in North Hamgyong Province, North Korea, which is located across the Tuman River from Hunchun in China's Jilin Province, visited Hunchun people's government officials on 6 May to discuss exchanging 700 tonnes of iron stock for 1,700 tonnes of corn. The officials failed because China opposed the exchange.

The sources also reported that the number of undernourished and starving North Korean people and children suffering from body swelling caused by beriberi is increasing throughout the country because the reserve supply of barley has almost been depleted.

North Korea also allows people to dispose of anything to exchange for food and to travel in the country to contact Chinese and Russian people with the purpose of obtaining food.

Article Assesses Decline in DPRK Grain Output
SK1305060094 Seoul CHOSON ILBO in Korean
10 May 94 p 23

[Text] At a time when public interest is centered on North Korea's food shortages and the number of North

Korean escapees is increasing, the Association Studying the North Korean Agriculture held a seminar marking its founding on 7 May and analyzed the current North Korean farming situation. This is the summary from the report made by Chungang University Professor Kim Song-hun at the seminar. (Editor's Note)

North Korea has statistics on its food situation to report to the outside world and the true statistics are kept under strict control. According to statistics compiled by the National Unification Board in August 1993, with the help of relevant agencies, North Korea's gross grain output was 4.81 million tonnes in 1990; 4.43 million tonnes in 1991; 4.27 million tonnes in 1992; and 3.88 million tonnes in 1993. This shows that its output is on a downward trend. However, it is estimated that North Koreans need to consume between 5.5 and 6.5 million tonnes of food.

With the increase of the number of people fleeing the country, North Korea could no longer put aside the food shortage problem. Furthermore, out of the necessity to stabilize its political system after Kim Chong-il inherits power, North Korea has begun to purchase food from abroad half-openly. What should be noted is that North Korea purchased 0.15 million tonnes of wheat from the United States in 1991 and during 1992-1993 it directly purchased 0.25 million tonnes of grain worth \$0.2 billion from the United States.

North Korea's food situation is getting worse due to its natural, physical, and technological restrictions. The range and variety of mechanization are not wide, and chemical fertilizers, agricultural chemicals, and herbicides are in short supply. Even the land reclamation program vigorously pushed ahead from the late seventies to the early eighties is inactive these days.

North Korea shows no sign of promoting its collective management system and the chuche-oriented farming in the near future. What is more, agricultural productivity is expected to drop much more. On the contrary, the rate of urbanization rapidly soared in recent days and 60 percent of its total population lives in urban areas. Due to this, the demand for agricultural products has increased.

Inefficiency in the agricultural sector has had far-reaching effects on other sectors, bringing about enormous restrictions to the smooth development of the overall economy. However, North Korea's standard of agricultural science and technology; improvement of plant breeding; farming techniques; and cultivation methods are considerably high. The problem is that it needs a mechanism that can link all these factors and needs to introduce market economy principles.

The foundation for the unification of the North and South cannot be solidified if North Korea does not overcome the backwardness of its grain production. Since the degree of South Korea's crops self-sufficiency only accounts for 30 percent and agriculture is the weakest sector in the South Korean economy, the two

Koreas cannot but supplement their weakness in the agricultural sector through the exchange of and cooperation in agricultural techniques and capital.

* Manpower in DPRK's Nuclear Program Reported

942C0094A Seoul WOLGAN CHUNGANG in Korean Mar 94 pp 252-267

[By reporter Song Ui-ho: "Manpower in North Korea's Nuclear Development Program: Its Personal Relationships, Training and Taboos"]

[Excerpts]

- To Sang-nok, Han In-sok and other scientists who defected to the North against the "National University Plan" laid the foundations.
- Under General Manager Chong Kun, a "Moscow-trained group" including Choe Hak-kun and Yun Ho-chin played the key role.
- Theses written by 100-odd North Korean scientists in the 1970's are kept in the U.S. National Archives.
- Construction of the Yongbyon nuclear development complex began in 1962.
- Security is so tight that even Kim Il-song has to disembark from his car when entering the Yongbyon complex.

When did North Korea embark on its nuclear development program? Who have participated in it, and how has Pyongyang trained the required manpower? And what are the general software levels of the program?

These questions surrounding the North Korean nuclear issue have not been fully answered, although there has been a great deal of discussion dealing with hardware. There have been debates as to the type of atomic reactors in Yongbyon, the amount of plutonium they could produce, the kind of reprocessing facilities, and the number of weapons they have possibly developed by now, but almost nothing is known about the people who possibly have participated in those processes.

For this reporting, I interviewed nuclear scientists in the South, persons who had served in high positions in North Korea in the past, and correspondents who visited Pyongyang. I also received assistance from intelligence agencies at home and abroad. Among them were some who were deeply involved in the nuclear development effort in the Pak Chong-hui era. Also, I used channels with links to the Japanese Cabinet Information Research Office.

North Korea first began exploring nuclear development possibilities in the mid-1950's immediately after the end of the Korean War. Kim Il-song, who had been unnerved by MacArthur's atomic bomb threat, reorganized the Korean People's Army [KPA] in 1954 right after the end of the war, establishing a "Nuclear Weapons Defense Branch" for the first time as part of the reorganization.

The next year, in 1955, President Eisenhower went so far as to say that "new-type nuclear weapons" will be deployed to the U.S. Forces in Korea [USFK], stirring North Korea. Meanwhile, President Syngman Rhee, crying out for "March to the North for Reunification," declared that "if the North invades us, we will respond with a nuclear holocaust." North Korea, confronted with the crisis, held a mammoth Pyongyang City Mass Rally on 5 August 1955 to condemn the United States. According to Mr "A," a former North Korean official who participated in that rally, "the uneasy feelings the nuclear threat caused among the North Korean authorities and population then were almost a panic."

About that time, the former Soviet Union, then the leading power of the communist world, launched an all-out effort to develop a new-type, nuclear weapon that can match what the United States had.

Thus came the "Agreement on the Organization of a Joint Nuclear Research Center" signed in 1956 as part of Soviet nuclear strategy. The agreement stated that 11 socialist countries (the Soviet Union, China, North Korea, Vietnam, Mongolia, Poland, East Germany, Romania, Hungary, Bulgaria, and Albania) will pool manpower and material resources for joint nuclear research and utilization to strengthen the nuclear capabilities of the socialist camp.

The joint research thus started was conducted at the renowned Dubna Nuclear Research Center in Moscow. It was an old institute reorganized and rechristened "Dubna Joint Nuclear Research Center," they say. "It was then that North Korea, in accordance with the agreement, began sending 20 to 30 nuclear physicists to Dubna every year," said Mr "A."

Subsequently, the "Korea-USSR Agreement on the Peaceful Use of Atomic Energy" was signed in 1959, and North Korea began creating a nuclear development complex in Yongbyon in 1962. Through all this, Pyongyang took interest in a nuclear development program early on.

Then came the 1962 "Cuban crisis" which led North Korea to distrust the Soviet nuclear umbrella. The Soviet fleet steaming through the Caribbean Sea carrying missiles to Cuba was confronted with the U.S. threat of war, bowed to the pressure and made an eleventh-hour retreat. NODONG SINMUN strongly criticized the action by Khrushchev. North Korea was seized with apprehensions that with Khrushchev in power, the protection of the Soviet nuclear umbrella could be taken away from it in the event of a similar U.S. threat.

It was precisely in December that year at the Fifth Plenum of the Fourth Workers Party of Korea [WPK] Central Committee that North Korea put forth the Four Military Lines calling for self-reliant defenses. The military strategy adopted then was essentially sought to thwart the U.S. atomic bomb.

Mr "A" continued: "There was only one way to make the U.S. atomic bomb good for nothing and it was for them to go underground. The Turn-the-Whole-Country-Into-a-Fortress policy was basically a 'hedgehog tactic,' that is, going underground. All installations began moves to as deep as 150-200 meters underground. The subway in Pyongyang was no exception."

The U.S. nuclear threat increased its pressure on North Korea in the early 1970's. Especially, at the collapse of South Vietnam in 1975, the United States deployed additional tactical nuclear weapons in South Korea against a possible invasion by the North, even pronouncing that "if the North should invade the South, we will crush it with our tactical nuclear weapons." Newspapers and broadcasts unhesitatingly reported on the nuclear arming of the USFK.

"At the time, North Korea was engrossed in the task of determining the strength of tactical nuclear weapons deployed to the USFK. Materials were gathered from South Korean newspapers, broadcasts, and magazines and from authoritative Japanese and U.S. newspapers for analytical purposes. Through this work, it determined that the number of tactical nuclear weapons as referred to in a 'Memorandum of the Ministry of Foreign Affairs,' was 900 to 1,000," said Mr. "A."

Against these historical backdrops, Kim Il-song and Kim Chong-il began saying in the mid-1970's that "the key of modern warfare is nuclear strategy. The nuclear weapon can be a political and military threat." In other words, Pyongyang had recognized its military strategic need for nuclear weapons. Further, it began viewing nuclear weapons in light of the strategy for survival. It was then that the North Korean leadership began thinking—vaguely though—that it should come to have nuclear weapons. [passage omitted]

It can be said that the Manhattan Project and France's TGV high-speed train system belongs to this category, the category of Big Science. So, which way a country pushes its Big Science program has an important bearing on the future of that country.

"In North Korea's case, military science—nuclear science in particular—must have become an ambitious Big Science program for it," says Dr Yun Se-won, 72, a South Korean nuclear science pioneer of the Syngman Rhee era.

According to scientists who were deeply involved in nuclear development in the Pak Chong-hui era, North Korean scientists who worked for the nuclear development program, Pyongyang's Big Science program, can be divided into the first, second, and third generations—those who defected to the North around the time of the Korean War forming the first, their children who defected to the North with them and who later studied in the Soviet Union making up the second, and those who were educated in North Korea, then studied in the Soviet Union and who are currently working in the nuclear development program representing the third generation.

Among those viewed as leading first-generation figures who must have established a master plan and led the development program are To Sang-nok, Yi Sung-ki, and Han In-sok. Their personal history follows:

To Sang-nok, a native of South Hamgyong Province, majored in physics at Tokyo Imperial University [present Tokyo University]. On liberation, he returned to Korea and became a Kyongsong University [present Seoul National University, SNU] physics professor. According to Dr. Cho Sun-tak, 70, former director of the Korea Advanced Institute of Science and Technology [KAIST], To Sang-nok was his professor in his university days. Professor To, he said, had studied two years at Tokyo Imperial University, which was then a three-year institute, spending the third year, the year for thesis writing, in Korea working as a teacher at Songdo Middle School in Kaesong, for financial reasons involving his family. Thus, he had to earn his way through the university. The thesis he wrote then was about "the Structure of the Hydrogen Molecule."

After that, To Sang-nok worked as professor of Singyong University, established in Manchuria mainly by Tokyo U. graduates, until immediately before liberation. On liberation, he moved to Kyongsong University. His son, To In-sop, also attended the SNU physics course. The father and son are said to have defected to the North together. Regarding his work in North Korea, Mr. "B," another former North Korean official, said as follows:

"I understand that while serving as the head of the chair of physics in Kim Il-song University, Prof. To was devoted to radioisotope research. Through with the pure science stage, his research was on military application. Without Soviet aid, he was laying the foundations of nuclear energy research almost single-handedly. His academic level was so high that those who know used to cite as top scientists 'To Sang-nok in physics, Yi Sung-ki in chemistry, and Kye Ung-sang in sericultural science.' In other words, To Sang-nok is the father of nuclear research in North Korea."

To Sang-nok became an Academician, the highest position for a scientist in North Korea, and was awarded the titles of Labor Hero and People's Scientist. He died in February 1990.

Meanwhile, some observers view Dr Yi Sung-ki as having made greater contributions to the North Korea nuclear development program. They are mostly veteran scientists who know both To Sang-nok and Yi Sung-ki well or those who took part in the Pak Chong-hui era nuclear development effort. Yi Sung-ki has a distinguished record as scientist.

A native of Tamyang, South Cholla Province, he majored in synthetic fiber at Kyoto University, Japan. He was the second SNU president when he defected to the North immediately before the Korean War. And by inventing vinalon, a synthetic fiber from coal, he became a world-renowned scientist. Besides, Yi Sung-ki was

known for being broad- and open-minded. So, he had many followers in the South, too, it was said.

Commenting on his role in the nuclear development program, Dr Yi Pyong-ho, 70, professor emeritus of the KAIST nuclear engineering department, said as follows:

"Although it is not very likely that he participated directly in the nuclear development program, there is no question that he must have performed the role of organizing the research team for it. He is the top leader of North Korean scientists. When he selects people for a project and ask them for cooperation, it would be unlikely that they turn him down. Prof. To Sang-nok was, basically, a loner-type researcher, while Prof. Yi Sung-ki had a great deal of experience in setting up team work in research."

Moreover, considering the fact that the process of extracting plutonium for atomic bomb materials is fundamentally a process of chemical engineering, and that Kyoto U. is known for being most advanced in nuclear physical chemistry, it would not be strange if he took part in the nuclear development program.

It is officially unknown who was the first director of the Yongbyon Nuclear Research Center [NRC]. According to a scientist who was deeply involved in the Pak Chong-hui era nuclear development effort, "Yi Sung-ki was the first director" of the Yongbyon NRC. "He was not," countered Mr. "B," the former North Korean official who testified earlier about To Sang-nok. With regard to Yi Sung-ki's work in North Korea, the latter said as follows:

"It is true that of all the scientists in North Korea, Yi Sung-ki was trusted most, but he was a chemical engineer known for his vinalon research, not a nuclear scientist. He became the director of the Research Institute of Chemical Technology right after his defection to the North, but soon began devoting himself to vinalon research while leaving institute business to Yo Kyong-ku, his junior partner. Needless to say, it is not that he made no contributions to military science. It should be noted, however, that while making all-out efforts for nuclear development, North Korea did even more to develop chemical weapons. When the Defense College was established in 1962 under the Four Military Lines, Yi Sung-ki became its first commandant. This put him in military uniform for a while. Thus, I understand that while in charge of training scientists and engineers for munitions industries, he was deeply involved in chemical weapons development." [passage omitted]

For his service in solving the problem of clothing for the people with his invention of vinalon, Yi Sung-ki was awarded the title of Labor Hero and the Lenin Prize in 1962. Currently, he is serving as the head of the Hamhung branch of the Academy of Sciences. According to Mr. "B," the person who said that Yi Sung-ki did not take part in the North Korean nuclear development program, "the first director of the Yongbyon NRC was Han In-sok." [passage omitted]

Meanwhile, influenced by Dr. Yi Sung-ki, many professors and students of the SNU engineering school's chemical engineering branch defected to the North. Among those professors were Yo Kyong-ku, who went over to the North even before Yi, and Ma Hyong-ok, Yi Se-hun, Kim Tae-yol, Yi Chang-chik, and Sin Hyon-sok. Also, it is said that it was about that time when Kwon Tae-mun, Kim Pyong-chun, and Ok Chi-hun, who were all classmates of Ma Kyong-sok, 73, honorary president of the South Korea Engineers Club, and second-batch graduates of the chemical engineering branch, defected to the North. It is difficult to rule out the possibility of those who had majored in chemical engineering, a course with possible links to nuclear reprocessing, having performed a role in the nuclear development program.

According to Ma Kyong-sok, he learned some time ago, through telephone conversations with Dr Yi Sung-ki and Ok Chi-hun, of the Hamhung branch of the Academy of Sciences, that of these people, Yo Kyong-ku, Prof. Sin Hyon-sok, and Kwon Tae-mun had died. He was also told, Ma said, that Yi Chae-op, a graduate of the Kyoto U. chemical engineering course who defected to the North before Liberation, and Chang Chil-pyo, his pupil who went to the North with him, had married Yi Sung-ki's daughters.

Besides Dr. Yi Sung-ki and Prof. To Sang-nok, another person who seemed to have played a leading role in the nuclear development program is Prof. Han In-sok. A graduate of the physics course of Japan's Tohoku University, he studied in Germany for a while, then served as physics professor at Kyongsong U. It is known that soon after that, he, as one of the opponents to the "National University Plan," briefly moved to Yonsei University before defecting to the North.

According to his pupils who remember him, it is unlikely that Han In-sok had attracted attention as a preeminent physicist—not in South Korea at least. In the North, however, it seems that he stood very much in the spotlight. Mr "B," who said that Han In-sok was the first director of the Yongbyon Atomic Energy Research Center, explained Han's role in North Korea as follows:

"While at Kim Il-song University [KISU] as physics professor, Han In-sok went to Moscow to study the latest nuclear theories for some time. He began giving North Korean leaders, including party cadres, lectures on the importance of nuclear energy and the need for nuclear development, in the late 1950's. He was articulate. In the early 1960's, he put out many theses concerning nuclear development. This led to rumors among cadres that he was even more capable than To Sang-nok. Han In-sok, along with To Sang-nok, can be called the founder of North Korea's nuclear physics."

In 1965, Han In-sok made public his research paper entitled "Distribution of Irregular Speeds of Electrons in Plasma." Dr. Yun Se-won, Han's pupil, said he and Han frequently got together at parties when they were both professors at Yonsei U. for a short period. Yun said: "He

was a man of little ambition but of great passion and outstanding brains. The only setback was his move to Yonsei; he did not get the treatment he deserved while there. According to Yun, Prof. Han celebrated his 60th birthday about 25 years ago. In an appearance in a broadcast program that day, Han said that "I have a pupil in the South," referring to him by name, Yun said, adding that "I was deeply impressed."

The person who also seemingly performed an important role, only next to the roles played by the three, To Sang-nok and Yi Sung-ki and Han In-ok, in importance, is none other than Chong Kun. According to a nuclear engineer who was deeply involved in the Pak Chong-hui era nuclear development effort, "when Dr Yi Sung-ki was in charge of organizing the nuclear development team, Chong Kun must have acted as the top working aide for him. I had felt his such presence on various occasions."

Chong Kun, one of the second-batch graduates of the Kyongsong U. physics course, majored in basic physics, molecular movements in particular. It is said that he left for Moscow to study after his defection to the North. It was the time when KISU was being established. He studied nuclear physics in Moscow, specializing in reactor physics, a field directly linked with the nuclear development program. On his return from Moscow, he became a member of KISU. He is known to have written five or six theses on reactors after that.

Dr. Cho Sun-tak views Chong Kun as an "extraordinarily brilliant person." "When I was involved in a leftist movement," Cho said, "I first thought that he belonged to the South Korean Labor Party, but later learned that he had belonged to the North Korean Workers Party from the beginning." That made him remember Chong very clearly, Cho added. Among the theses Chong wrote in the 1960's were "Research on Thermoelectric Phenomena," "Thermal Diffusion of Neutrons," and "On Minimums of Metallic Resistance at Low Temperatures."

In addition to the above-listed, scientists like Yo Kyong-ku, Chon Pyong-su, Kim Yong-ho and Yo Chol-ki are thought, in the views of atomic energy-related scholars, to have participated in the nuclear development program one way or another, for their academic levels.

Yo Kyong-ku, nephew of Yo Un-hyong, who majored in applied chemistry in Japan's Waseda University, was assistant professor of chemical engineering at Kyongsong U. when he made his rather early defection to the North. About that time, after learning that Dr. Yi Sung-ki was troubled by the "National University Plan," he is said to have visited Yi to suggest that he go over to the North. In North Korea, Yo Kyong-ku rose to Candidate Academician of the Academy of Sciences. He is said to have participated in the V-2 rocket development in Okinawa in the last days of World War II.

Chon Pyong-su, a native of Hamhung who majored in physics in Japan's Hokkaido University, briefly served

as physics professor at Kyongsong U. While in Japan, he was viewed as being so extraordinarily brilliant that his professor made him his top student, they say. Ideologically, however, he was socialist from the beginning. In North Korea, he briefly departed from scientific research and joined a political school, even serving as the party's top responsible officer at KISU.

It is known that after leaving that post, Chon Pyong-su shifted from pure research to experiment. Among theses he wrote in the 1960's were "On Nuclear Interaction in Nuclear Fluid by Particles with Energy," "On Raising Precision in Measurement of Each Distribution," and "On Each Distribution of Secondary Particles in Nuclear Interaction with Heavy Nucleuses in Nuclear Fluid."

Kim Yong-ho, who majored in quantum chemistry at Japan's Kyoto U., was a chemistry professor at Kyongsong U. when he defected to the North. Quantum chemistry is said to have connections with nuclear reprocessing facilities. He was also reputed to be a very outstanding scientist, they say.

Yo Chol-ki, one of the second-batch graduates of the SNU physics course, was assistant professor of the university when he defected to the North. He is a brother of Yo Sok-ki, who was once English literature professor of Korea University. He attended a 1990 World Conference of Korean Physicists held at Yanbian University in China as chairman of the North Korean Physical Society, and accompanied by four persons. He was a Candidate Academician of the Academy of Sciences at the time. It was then that Dr. Ko Yun-sok, 67, former chairman of the Physical Society of the South, met Yo Chol-ki, his 2-year senior, for the first time in many years. They talked about many things. Of the meeting, Ko said as follows:

"He was calm and not particularly argumentative. He was the same chain smoker as he was before. His specialty then was plasma physics. As I knew it, it was his fourth. He had specialized in hydromechanics, then in particle physics, and the latest I had heard was that he was studying nuclear physics. The fact alone that he was ranging over a number of fields like that made me think that he was perhaps assigned some important job. Strangely, whenever I asked about some statistics, he kept his mouth shut."

Besides Yo Chol-ki, North Korean physicists Cho Pyong-nae and Kim Yong-il, both specializing in statistical mechanical physics, attended the conference. Another scientist named Ko Yong-hye, specializing in the theory of field at KISU, who appeared to be in his fifties, also showed up at the conference.

Scientists referred to in the above were mostly Kyongsong U. professors in physics or chemical engineering when they defected to the North. Leftist leaders at the Kyongsong U. science and engineering school in those days were To Sang-nok and Yo Kyong-ku, it was said. Although those scientist defectors were mostly leftists opposed to the "National University Plan," they

excelled in scholarship. In the views of atomic energy-related scholars, they must have laid North Korea's scientific foundations, setting the direction of its nuclear development program.

Other scientists from the South include Choe Sam-yol, a graduate of the Tohoku U. chemistry course, who served as professor of KISU and later became an Academician, and Yi Chae-yong, a graduate of the Kyoto U. fuel chemistry course. These people went straight to North Korea while they were overseas for study purposes. In the views of atomic energy scientists in the South, it is possible that they also participated in North Korea's Big Science project, the nuclear development program.

Forming another group are second-generation scientists who were trained by the above-listed seniors and who could have performed the central role in the nuclear development program. Among them are Choe Hak-kun, Yun Ho-chin and Kye Yong-sun.

Choe Hak-kun, a native of Hamgyong Province, is a nuclear expert who went to Moscow University from KISU, then to the Dubna NRC. Following his return home, he served as the second director of the Yongbyon NRC, then as minister of the Ministry of Atomic Energy Industry, which was created within the State Administration Ministry in December 1986. He also served as counselor in Vienna for 4 years from 1975, when North Korea joined the International Atomic Energy Agency (IAEA).

Dr. Yi Pyong-hwi, 64, former director of the Atomic Energy Bureau of the [ROK] Ministry of Science and Technology, and IAEA board member for 1977 through 1983, was Choe Hak-kun's counterpart in Vienna. North Korean officials in Vienna usually moved around in a pair; on rare occasions when Choe met with Dr. Yi by himself, he always was inquisitive about the state of atomic energy in South Korea, said Dr. Yi.

At the time, one of the three secretary-level officials—graduates of KISU physics, metal engineering, and chemical engineering departments respectively—alternately came from Pyongyang to work under Choe Hak-kun. They were seen frequenting at the IAEA library, where detailed information were available on blueprints of, and construction methods used for, atomic reactors that had been built in various parts of the world. Dr. Yi continued:

"Over there, one could obtain the entire information needed to build an atomic reactor in 1 or 2 years if he was determined to do so. Suppose North Korea had spent about 4 years making such preparations, the 5-megawatt-class Yongbyon No. 2 atomic reactor was possibly built in early 1980. Give it enough time for a good trial run and inspection, say 7 years, then the reactor could possibly be put in operation in 1988."

Dr. Yi also noted that "at any rate, the massive data thus gathered at the time must have been used for the nuclear development program." He added that "Choe Hak-kun

is believed to have played a significant role in that process." Meanwhile, since North Korea's entry into the IAEA, Choe Hak-kun intensified his demand for the "denuclearization of the Korean Peninsula."

Yun Ho-chin, resident officer in Vienna, was responsible for administrative affairs concerning the Nuclear Non-proliferation Treaty [NPT] and the inspection issue. A graduate of the KISU physics department, he also had extensive knowledge about nuclear power. Once he was engaged in a heated debate with Ambassador Kennedy, the ambassador extraordinary and plenipotentiary of the U.S. State Department on NPT issues. According to Dr. Yi, who was listening to the debate, it seemed that no one could beat Yun in argument. He is a specialist who is, in effect, in charge of external affairs concerning the North Korean nuclear issue.

Kye Yong-sun, a KISU graduate, who also studied in the Dubna NRC, is a key figure in North Korea's nuclear power plant construction. It was he who first suggested that "we build nuclear power plants for ourselves" in early 1970, they say. Kye Hyong-sun, former minister of machine-building industry, regarded as the godfather of North Korea's munitions industry, is his elder brother, they say.

Under these second-generation scientists, there are third-generation specialists who returned from the former Soviet Union and are currently active on the first line of the nuclear development program. Their names are mostly unknown. Fortunately, Mr "B," the former high official in North Korea, knew one of them—Yi Yun-song, alias Yi Yun-su.

Yi Yun-song, a very bright boy since his childhood, went to Moscow U. the year after his graduation from KISU, obtaining a Ph.D in physics at the age of 31. On his return from Moscow, he served as a professor at Pyongyang Institute of Science before moving to the Yongbyon NRC. He should be about 50 years old and, if he still is with the NRC, he could be at the level of a section chief.

The people mentioned above are part of the North Korean brains in the nuclear development program as we came to know about from information provided by atomic energy scientists and intelligence agencies in our country and by people who formerly served in high posts in North Korea. They of course represent only a small part of the picture. It is a limitation we face, but there is a way to overcome it a little bit.

It is by using our judgement on the basis of theses written by North Korean scientists. Agencies in the South reportedly used the same method for some time to measure levels of the North Korean nuclear development program. Basically, however, it is difficult to gain access to such theses. The Korean division of the National Archives of the U.S. Congress is known to be the only place in the West that provides access to theses by North Korean scientists.

Even so, it is limited to the period through the early 1970's. Entering the 1970's, North Korea apparently tightened control over the handling of theses as it embarked on its nuclear development program. Those available at the National Archives are said to be the result of a volunteer's efforts who collected them in Hong Kong despite great difficulties.

The theses kept in the National Archives are by 100-odd scientists, mostly published between the 1950's and the early 1970's. They include many by the previously mentioned scientists. Most of the theses were printed in KWAHAGWON TONGBO [ACADEMY OF SCIENCES REPORT], which is a highest-level journal published in North Korea. About half of them only deal with mathematics while the rest are doing researches based on experiments. Considering the fact that they were by North Korean scientists in the period through the early 1970's, and that the nuclear development program has been Pyongyang's Big Science undertaking, it can be said that a considerably large number of the authors probably participated in the nuclear development program.

Dr. Chong Sun-tak, who examined the theses, said "their research seems to cover fields such as high energy, solid-state physics, statistical physics, hydrodynamics, astrophysics, and even atomic nucleus. In respect to experiments, it appears that organized research with links to defense and industry were under way." The following is a look at some of those scientists who have published relatively many theses, their post at the time and their representative thesis:

- Kim Kyong-chong, assistant professor, engineering, B.A.; "Heat Transfer Between the Fixed Bed and the Heat-Exchange Wall" (1966)
- Kim Myong-nin, engineering, B.A.; "On Mechanism of Interaction Between Manganese Oxides and Sulphurous Acid Gas in Water Solution" (1966)
- Kim In-sik, candidate academician, engineering; "Experiment of Pellet Melting by Various Chemical Catalysts in the Electric Furnace" (1961)
- Kim Hyong-nak, assistant professor, chemistry, B.A.; "New Calculating Method in Chemical Analyses Using Formation Reaction of Adherent Compounds" (1967)
- Yi Myong-ha, physical mathematics, B.A.; "On Energy Loss of Charged Particles with Magnetic Moment in Plasma" (1964)
- Yi Yon, physics, B.A.; "Statistical Dynamical Instability in the Combination of the Atomic Nucleus" (1965)
- So Sang-kuk, physics, B.A.; "On Phenomenological Quantum Electrodynamics of the Scalar Particle" (1964)
- Chong Kye-son, physical mathematics, B.A.; "Effect of Plastic Deformation to High-Temperature Internal Friction" (1967)

Among other physicists and chemists whose theses are found in the National Archives are: Kang Ho-ung, physics, B.A.; Kwak Tae-hung, professor, engineering,

Ph.D.; Kim Nae-su, chemistry, B.A.; Kim Tal-won, engineering, B.A.; Kim Yong-hum, assistant professor, engineering, B.A.; Kim Il-tae, chemistry, B.A.; Kim Chae-kil, chemistry, B.A.; Kim Chong-tok, assistant professor, physics, B.A.; Kim Chun-ul, assistant professor, engineering, B.A.; Kim Chun-hwan, chemistry, B.A.; Kim Hyong-nak, assistant professor, chemistry, B.A.; Yu Chong-kun, assistant professor, engineering, B.A.; Yi Mun-yong, engineering, B.A.; Yi Pang-kun, engineering, B.A.; Yi Song-chun, assistant professor, engineering, B.A.; Yi Yong-tae, physics, B.A.; Yi Chae-pok, assistant professor, physical mathematics, B.A.; Yi Hyo-chin, engineering, B.A.; Pae Nae-sop, assistant professor, engineering, B.A.; Paek Yong-kon, physics, B.A.; Pyon Yong-nip, physical mathematics, B.A.; Sin Mun-kyu, engineering, B.A.; Sin Pyong-chong, engineering, B.A.; Sin Tae-kon, engineering, B.A.; Sin Taek-hui, assistant professor, engineering, B.A.; Om Song-nok, engineering, B.A.; Yu Song-chol, engineering, B.A.; Cho Yong-uk, physics, B.A.; Cho Chol-hui, engineering, B.A.; Choe Sok-kwon, chemistry, B.A.; Hong Sun-tae, engineering, B.A.; Hong Ha-kyong, chemistry, B.A.

In addition, there were scientists brought in from overseas, mostly Korean residents in foreign countries. Explaining, Mr. "B" said:

"I understand that quite a few overseas Korean nuclear scientists entered North Korea. In most cases, they were residents either in the Soviet Union or Japan. For them, separate research facilities were set up, mainly in Kanggye and Hyesan in Chagang Province where many weapons production bases were located, as well as in the vicinity of Pyongyang. I understand that in the cases of well-known figures, some were assigned to the National Defence and Science Institute."

Of those from Japan, some stayed on in North Korea taking part in the development program while others shuttled between the two countries. The Korean Scientists and Engineers Association in Japan (Kwahyop) served as the channel. Kwahyop's slogan was "Promote Scientific Research and Technological Development of Korean Scientists in Japan and Contribute to North Korea's Construction."

More than 100 executives and members of Kwahyop are reportedly playing key roles in advanced science and technology divisions of Japanese universities and corporations. Among them are scientists working in nuclear fusion, control engineering and accelerator fields or even taking part in nuclear technology development programs.

Dr. Kyong Won-ha is one of them whose name is frequently mentioned in conversations concerning Korean scientists who went to North Korea from Japan. He is known to have participated in the atomic bomb building at the Los Alamos laboratory in New Mexico, then served as professor at Canada's McGill University before moving to North Korea in about 1974. But a check with atomic energy-related scientists and people

who formerly serviced in high posts in North Korea revealed that none of them had any knowledge about him.

At a time when information is as scarce as it is, the foregoing list could represent a small, first step in our attempt to get a more comprehensive picture of human relationships in the North Korean nuclear development program.

North Korea's training system for nuclear-related talents also deserves careful attention. The training began at a university level. The first nuclear physics course was established in 1949 before the Korean War. "That year, North Korea's first nuclear physics course was created within the KISU physics school and 30 students were selected for it," said Mr. "B."

It was also in 1949 when Pyongyang began sending students to Moscow U. and St. Petersburg University. Needless to say, they were not all nuclear physics students. Suppose 30 students left for Moscow or St. Petersburg in any given year, three to four of them were nuclear physics students. Choe Hak-kun, former minister of atomic energy industry, is said to have been one of the first-group students who went to Moscow.

The KISU nuclear physics course was closed temporarily during the war but reopened later. After that, in about 1957, a nuclear engineering department, made up by three courses, was created in Kim Chaek Institute of Technology [KCIT]. The number of students was 50. Further, in 1963, a nuclear physics course was opened in Pyongsong Institute of Science in South Pyongan Province, a college under the control of the Academy of Sciences, accepting 50 students. Pyongsong is a North Korean science town similar to Taedok Science Town in the South, and its Institute of Science is an equivalent of our Institute of Science and Technology.

There are slight differences between the roles performed by these three institutes. While they are all for the study of nuclear physics, KISU is dedicated to both theoretical and technological researches, KCIT trains technical personnel and Pyongsong trains scientists, research officers and professors primarily in fundamental theoretical fields. Besides, a nuclear engineering department was created in the National Defense College in Hyesan in about 1963, primarily for the training of specialists in munitions and weaponry.

Basically through these four institutes, North Korea has systematically trained its personnel since the 1950's. The length of their nuclear physics courses is 7 years, they say, and they accept only bright students.

On this point, Mr. "B" said: "They take only students of I.Q. 160 or higher. Children of state cadres who are bright enough are required to take the nuclear physics course mandatorily even if it is against their wish. Once, there were moves among students to avoid taking the course as those who willingly had entered the course first saw graduates assigned to Yongbyon or military-related

research institutes. Circulating rumors had it that once they entered the course, their coming and going would be restricted and, more seriously, they could be exposed to radioactivity. Once there was a case in which one of the cadres prevented his child from applying for the course, and when the fact was discovered by authorities, he was reassigned to a remote forestry station. Since that time, if a student would avoid applying for the nuclear physics course, he or she would be sent to the countryside or otherwise called to task for it."

Attached to these institutes are, respectively, "the KISU Nuclear Physics Research Institute," "the KCIT Nuclear Physics Research Institute," and "the Nuclear Physics Research Institute of the Academy of Sciences." The KISU Nuclear Physics Research Institute has a long history of research in radioactive isotope.

Other major research institutes are mostly located in the Yongbyon complex. They include the "Atomic Energy Research Institute," "Radioactivity Prevention Research Institute," and "Nuclear Power Generating Research Institute." The Yongbyon nuclear complex was created in the late 1950's. North Korea began its expansion in earnest in 1962 after the fifth plenum of the fourth party Central Committee.

Beginning in the 1960's, North Korean institutes turned out nuclear scientists in large numbers who were trained by themselves through those 7-year courses. Some of the graduates left for Moscow for further studies, mostly at the Dubna NRC. Scores of them were sent there each year in rotation; their stay in Dubna ranging from 2-3 years to over 10 years. There they, along with scientists from other socialist nations, jointly participated in the Soviet nuclear development program.

The cases of those who had stayed there for more than 10 years were because their research achievements were so outstanding that the Dubna NRC would not let them go home. Occasionally, there were minor disputes over persons whose homecoming ran into difficulties for such reasons. Among them were many who had obtained Soviet doctorates at the age of 30 and became an object of envy. So, Soviet scientists, knowing about their abilities more than anyone else, would never underestimate the levels of North Korean students, it is said. At times, students were deported back home from Dubna because of their persistent attempt to spy on advanced Soviet nuclear technology.

North Korean students were also sent to the Kurchatov NRC, the Kiev NRC and the Ioffe NRC. While Dubna was for basic research in nuclear physics, Kurchatov was known as a laboratory for experimenting and building nuclear bombs. They were all secret facilities off limits to unauthorized citizens as well as foreigners.

Dr. Yi Pyong-hwi happened to be allowed to visit the Kurchatov Nuclear Physics Research Center, a secret facility, for 1 week in 1992. Named after Dr. Kurchatov, who led the team that built and tested the first Soviet

nuclear bomb in 1949, the center stands about 20 kilometers from downtown Moscow.

Dr. Yi was amazed at research facilities at the center. Nuclear fusion, remote control and radioactivity lab facilities appeared to be incomparably more sophisticated and advanced than those at the Argonne National Laboratory where the Manhattan Project was conducted. The world's most advanced installation, however, had come to a complete standstill because of Russia's economic collapse.

Consequently, the United States is reportedly working on economic aid for improvement in the treatment of Russian nuclear scientists so as to prevent their exodus from the country. "It is quite possible," Dr. Yi speculated, "that quite a few of those Russian nuclear scientists who had been to North Korea in the past, returned there in 1989 or 1990 during the disintegration of the Soviet Union and just stayed on there."

North Korea also sent scientists to China, which successfully conducted its first atomic bomb test in 1964, although fewer in numbers than those sent to the Soviet Union. For exchanges with Chinese nuclear physicists, Pyongyang sent its specialists to Xiangshan Zhao Dai Suo in Beijing where those Chinese frequently get together. Pyongyang also sent scientists to the Xinjiang explosion test site to learn explosion technique. Thus trained through various routes, the number of North Korean nuclear experts and technical personnel is now estimated at approximately more than 5,000, including 200 trained at Dubna.

The systematic training like this showed its first results in the development of missiles. North Korea produced on its own a short-range rocket missile using nuclear energy in the late 1960's. To share the excitement, a demonstration firing was conducted for 2 hours in November 1970 before some 1,000 party delegates who arrived from all over the country for the Fifth Party Congress, according to reports.

Pyongyang's nuclear policy came to the fore in March 1974 when Kim Il-song told a National Industrial Workers Meeting that "we must build nuclear power plants on our own." Thus, North Korea, with its own technology, embarked on the construction of No. 2 reactor, a 30 megawatt-class reactor by the graphite moderator gas coolant method, in Yongbyon in 1980, completing it in 1987.

In addition to an army of nuclear talents thus trained, North Korea has uranium ore deposits scattered all over the country, a factor that made possible the nuclear development on its own. The development of the large-scale Pyongsan and Pakchon mines began in the 1950's, and the Sunchon and Songchon mines are known for high uranium purity. Other uranium mines include one at Unggi, North Hamgyong Province, and the Kujang Mine in Mt. Myohyang. It is also known that there are a number of them in the vicinity of Hyesan and Hamhung.

Although North Korea had to send ores to the Soviet Union for processing before the 1960's, it later built its own smelting plants near mines for independent processing. Then the prospecting drive for uranium ores, they say, spread to other parts of the country so widely that slogans like "Find the Bluish-Black Mineral" became popular among prospecting workers.

Yongbyon is geographically very close to Pakchon. Thus, it has a uranium mine a short distance away and, surrounded by Kuryong River and Mt. Kuryong, has a security advantage, plus natural water of good quality. It reportedly was the unquestioned top candidate when authorities were looking for a site for the nuclear development complex. When the project got under way, residents were relocated elsewhere.

Yongbyon was gradually turned into a secret town. Guard posts were erected around the complex, which was then put off limits to unauthorized persons. Security measures made were so tight that they were simply beyond imagination. Except for workers there and Kim Il-song, Kim Chong-il, and the chief of the general staff of the KPA, no one is allowed to enter the complex without authorization, including high-ranking cadres and politburo members. Even Kim Il-song and Kim Chong-il are of course not completely free to enter the facility. On this point, Mr. "A" said:

"There is a check point at the Kuryong River bridge leading to the Yongbyon complex. Even the car carrying Kim Il-song and/or Kim Chong-il must stop at the point. Officials from the complex in another car meet them there. The visitor(s) then would get in their car and go through the point. The facility is off limits even to the aide-chauffeur for the visitor(s). Security is that tight."

Personnel are also under strict security control. Researchers are usually not authorized to leave the complex. When one is allowed to leave for a compelling reason, e.g., the death of a parent, he will be shadowed by two or three security men of the Ministry of National Defense, they say. Telephones and mail to and from the complex are out of question. Even for communications with the Atomic Energy Committee, the facility uses a courier. On the other hand, the complex has every facility needed for the daily life of people there, they say.

When the need arises for building facilities inside the complex, a special team of the 105th construction unit under the Ministry of Public Security is assigned to it. The unit itself is a special one assigned to such works as repair of the houses of Kim Il-song and Kim Chong-il, the Pyongyang subway or special tunnels. So, there is absolutely no way for outside people to know what is going on inside the complex.

"Considering the fact that major North Korean facilities have gone underground, facilities that have been put to the international inspections are only those that had been made public. It is reasonable to think that there are other facilities that have not been made public," said Mr.

"A." In addition, it is known that there are many underground plants in Taechon, only eight km from Yongbyon, he added.

Nuclear physics research institutes attached to universities in general are also under strict security. They are off limits to unauthorized people and telephone calls are impossible. When people come out with personal belongings, they are checked by defense department personnel each time, they say. These institutes are under the control of the WPK Science and Education Department. Also, personnel of this department are known to enter the institutes once or twice a year when party meetings are held to sum up their activities. Persons found to have leaked secret information are separated and sent to remote places in the mountains.

Mr. "A" said he would like to point out a misconception which he comes across so frequently in discussions about the North Korean nuclear issue. It is that because of the current economic crisis, Pyongyang would be unable to continue the enormously expensive nuclear development program. It is indeed a capitalist perception, he went on, but the fact is that in North Korea, they can carry out any project only by paying the personnel expenses, and if that should become difficult, even by just giving workers enough to eat.

Materials needed for the nuclear development program are mostly available domestically. The only thing they had to buy from outside was equipment from the Soviets. Even for them, North Korea could solve the payment problem by, extremely speaking, mobilizing military personnel for free labor at gold mines and refining facilities and handing over nuggets to the Soviets, Mr. "A" said, adding that although digging a tunnel, for instance, costs dearly in the South, it can be done virtually free in North Korea by mobilizing people's labor. [passage omitted]

* DPRK's Foreign Investment Laws, Implications

942C0052 Seoul NAEWOE TONGSIN in Korean No 870, 21 Oct 93

[Text] Seoul (NAEWOE)—Having established three laws including "The Foreigners' Investment Law" last October, North Korea, which has recently been actively pursuing economic cooperation with foreign countries, established three more laws including "The Foreign Exchange Control Law" last February to complement the system related to investment. But it appears to have failed to realize the anticipated results, as usual, due to the poor investment climate and imperfect laws.

More than one year after the laws related to foreigners' investments were established, the economic trade group of Nampo City, North Korea, visited the Korean Autonomous Government of Yanbian on the 11th of the month, calling for economic trade and joint ventures. Even last July, Pak Hwa-ryong, Vice-Chairman of Administrative Economic Committee of North Hamkyong Province is said to have visited here to explain the

construction of the Chongjin-Najin and Chongjin-Hoeryong Expressways. This means North Korea devotes all its energies to expanding the social overhead capital to invite foreign investment. In addition, it concluded with China an "Economic Trade Cooperation Protocol" the gist of which is to activate border trade, etc., and an "Agreement to Construct Railroads and Harbors on the Tumen," and made a contract for the development of the Najin-Sonbong area which will cost \$100 million and involve 21 Russian enterprises, they say.

Since the Cooperation Law was established in 1984, North Korea has been said to explain the inactivity of foreign investment as due not only to the poor infrastructure but also to the imperfect investment system. Accordingly, as measures following the three Laws, the "Foreigners' Investment Law," "Joint Venture Law," and "Foreigners' Enterprise Law," which were established last year, North Korea established the "Foreigners' Investment Enterprise and Foreigners' Tax Law," "Foreign Exchange Control Law," and "Free Economic Trade Zone Law" last February to invite foreign investment, they say. But North Korea's laws on foreign investment are abstract and mutually inconsistent—possibly the general trend of socialist states' laws. The three laws established at the beginning of this year are also seen as more logically complemented and followed by additional legislative measures.

Foreigners' Investment Enterprise and Foreigners' Tax Law (Chapter 8, Article 57). This is a basic law related to taxes which should be paid by foreigners' investment enterprises or foreigners performing economic activities within the North Korean territory. It prescribes income-, property-, inheritance-, sales-, and local taxes, as well as related sanctions and exemptions. Because this law has many points conflicting with established cooperation companies' and foreigners' income tax laws and their detailed rules, some provisions of the law seem to lose their validity on the principle of the priority of the new law.

The causes of inactivity are inconsistent laws and poor infrastructure. North Korea levies graduated income tax rates on foreign enterprises—25% (general area) and 14% (free economic trade zone) of the settled rate of interest. It is known that the law levies lower tax rates than those (30% and 15%) of China, which it views as a rival. And it prescribes that foreigners staying more than one year pay personal income tax on income from outside as well as inside the territory (Article 17). Although North Korea has more favorable tax rates on enterprises than does China, it levies more unfavorable income tax rates on private persons. This seems to negatively influence foreign investment plans.

Property tax is levied on buildings, ships and aircraft in North Korea (Article 25). Inheritance tax is levied not only inside but outside of North Korea (Article 31). This seems to be a step to confiscate assets that residents repatriate from Japan and those of Japanese wives

residing in North Korea who inherit from their families in Japan. But as the provisions of the law apply to "Korean residents residing outside the territory of the Republic who perform economic activities within its territory," questions are raised as to whether the provisions apply to South Korean enterprises. Because North Korea has thus far insisted politically on the concept of "One Korea," the territory of the "Republic" as the whole Korean peninsula, some say that South Korea is included in the territory of the "Republic." In the Cooperation Law, the first law related to foreign investment, its application is to be limited to "foreign enterprises and individuals" and "Korean residents abroad including Korean merchants and industrialists in Japan," clearly eliminating South Korean enterprises from participation. But in the laws on foreigners' investments established after last year, the subject of application, unlike the Cooperation Law, is prescribed to be "Korean residents residing outside of the territory of the Republic." Accordingly, a dominant opinion is that it allows South Korean enterprises (and individuals) to participate. A noticeable problem is how North Korea interprets this in connection with the idea of "One Korea."

In addition, even if South Korean enterprises are subject to the laws in the same way as foreign enterprises, a question is raised as to which of the two, the North-South Fundamental Agreement or these laws, is applied to South Korean enterprises when the North levies taxes. It is prescribed in the laws that foreign enterprises and individuals should observe the agreement concluded by their government and North Korea's government on taxes when the agreement is different from the laws (Article 17). In relation to this provision, when the North-South Joint Economic Cooperation Committee concludes agreements on dual taxation prevention and investment promotion, will such an exception in the laws be applied even to South Korean enterprises?

Because the North-South Fundamental Agreement is applicable, the North and South are in "a special relationship which is not one between nations." If South Korean enterprises are not subject to the exceptional provision (Article 17) of the law due to the special relationship, they may have more unfavorable liability to taxation than other countries.

Free Economic Trade Zone Law (Chapter 7, Article 43). This is a basic law that regulates foreign investment in the Najin-Sonbong area, which is called a small golden triangle, and another free economic trade zone which will be designated in the future. The law prescribes the authority and duties of an agency to manage the area, maintenance of circumstances for economic activities, tariffs, currency, finance, security and preference, and settlement of disputes, etc. The law reflects North Korea's intentions to make good use of the free economic trade zone as a window for opening their economy by bestowing tax privileges on business activities and opening up foreign exchange markets to foreigners within the zone. The law stipulates that the

organizations which develop and manage the zone are the Foreign Economic Committee of the central government and the local authorities. By the suggestion that the central government is one organization which controls and leads the open-economy policy, it has been made clear what organization takes charge of the policy.

Because the law mandates that foreign enterprises should, even in the zone, employ and dismiss manpower on contracts made with North Korean manpower supply organizations, inflexibility of labor management has been raised as a major potential problem. And every account must be settled in Korean "Won" or convertible foreign currency. This will mean North Korea will aim at collecting foreign currency.

Foreign Exchange Control Law (Chapter 4, Article 31). This law outlines the general rules and system of foreign currency transactions, foreign securities issues, movement of foreign currency in and out of the country, securities and precious metals, etc.

Carrying foreign currency into the country is not limited. But approval by the foreign currency management agency is required for its removal, except for currency reported when entering the country and foreign currency within the free economic trade zone. This seems to be aimed at increasing foreign exchange reserves.

Foreign investment enterprises are strictly required to keep accounts with the Trade Bank or banks designated by the foreign currency management agency and report their foreign exchange situation to the agency quarterly and annually. This system means that foreign enterprises should raise their necessary foreign exchange by exporting or borrowing from foreign countries, and they cannot systematically convert Korean Won profit made in the domestic market to hard currency.

Even in the three laws established this year, there appears the intention of North Korea to carry forward only "an open-door policy under strict control," under the closed and rigid structure as usual. Even if the laws related to foreign investment are improved, as long as the economic structure and system are not reformed, the investment climate will not materialize, and accordingly, the success of an open-economy policy cannot be expected.

* Timing of Kim Chong-il Writings, Succession

942C0086A Seoul PUKHAN in Korean Feb 94 pp 50-59

[By lecturer Kim Pyong-ro]

[Excerpts]

1. The Publishing Begins

It is asserted that the number of Kim Chong-il's writings presented and published up to now amount to a total of over 400 works. Of these, the titles have been revealed for over 230 works and the full text confirmed for over 170. Most of Kim Chong-il's writings of thesis size are

published in single-volume booklet form. As for complete-works-type publications, at present only the two-volume *Kim Chong-il Selected Works* has been published. As of yet, they have not been systematized into a form such as the "Selected Works" or "Collection of Works" of Kim Il-song.

It appears that most of Kim Chong-il's writings are statements he has made, such as working-level guidance, on-site guidance, and oral instructions, recorded by secretaries in charge of ideology and theory. These then pass through correction and supplementation and are published as addresses or conclusions. This is often seen when a work is first made public in NODONG SINMUN. Its contents are introduced without revealing its title; the title is presented at some later time.

Writings by Kim Chong-il first appeared officially in 1982. The publication of his works has progressed systematically, closely connected with the construction of Kim Chong-il's succession. Establishing a broad principle, called the "character standard," and three rules, being founded in popular support, electing a figure from the new generation, and electing the next leader while the leader [Kim Il-song] lives, as the fundamental principles for electing a successor, North Korea [NK] has been highlighting Kim Chong-il as the person fitting these principles. Presenting three elements as characteristics the leader must have—extraordinary foresight, lofty moral character, and superior leadership ability—NK has especially attempted to create the image of Kim Chong-il as figure in which these three elements are combined.

The publication and propagation of Kim Chong-il's writings are indispensable means of publicizing his "extraordinary foresight." NK has pursued the publication of Kim Chong-il's writings by calling him a "genius of ideological theory" and a "master of ideological theory," to make him into an ideological theoretician by stressing his intellectual side. Although publishing his works is fundamentally a means of publicizing his talent as an ideological theorist, because presentation of policy for each sector of society, such as combative slogans, literary guidance, economic-construction guidance, etc., is achieved through the publishing of these works, it also displays his "superior leadership ability." Furthermore, these writings on each sector of society, by showing Kim Chong-il's great concern, also publicize his "lofty moral character."

That Kim Chong-il's works were first published in 1982 is not unrelated to his succession was firmly established at this time. Emerging as the heir to power in the October 1980 Sixth Party Congress, Kim Chong-il began concrete, working-level guidance in May 1981. He also tried to create opportunities to strengthen his power base in the political sector, such as becoming a representative of the Songnim District, North Hwanghae Province in the Seventh General Election of the Supreme People's Assembly held on February 28, 1982. We can take the view that the publication of his writings began in 1982 as

a way to secure a political base by publicizing his talent for thinking as a successor. [passage omitted]

2. The Three Stages of Publication

Publishing Kim Chong-il's writings was carried out in three stages, according to analysis. The first stage was from 1982 through 1984: works capable of being used as policy guides in each sector of NK society were presented and published. The second stage was the publishing conducted between 1985 and 1987. In this stage, a reconstruction of Kim Chong-il's past activities was attempted by finding past, unpublished writings and retroactively publishing them. The third stage began in 1988 and at present, in 1993, is ongoing. With Kim Chong-il's succession in mind, the transfer of the leader image of Kim Il-song, the creation of the legitimacy of his regime, and the concrete publication of his works are being carried out.

A. Stage One: Publication of Basic Policy Platform and Expansion of Kim Chong-il's Power Base

The publication of Kim Chong-il's writings beginning in 1982 saw the publication of his main writings, to be used as policy guides in each sector of society, by the end of 1984. This was the first stage of publication. That is, from 1982 through 1984 NK caused his political influence to be felt, from everyday life to the workplace, by replacing with Kim Chong-il's writings teachings necessarily quoted in each area of society, on Chuche Thought, party construction, the economy, youth activities, art, education, the military, etc., and by having these studied in each neighborhood unit, workplace and school, and by clarifying them through debates and rallies.

In order to obtain authority as the successor to Kim Il-song in NK, more than anything else, he must secure the right to interpret with authority the official ideology of NK society, Chuche Thought. This is the first consideration for qualifying as the leader in this socialist society ruled by ideology. In this context, Kim Chong-il organized and systematized theory on Chuche Thought previously alluded to by Kim Il-song, presenting and publishing his thesis entitled, *On Chuche Thought*.

Kim Chong-il's second thesis, *The [Korean] Workers Party is a Chuche-Type Revolutionary Party which Inherited the Glorious "Down With Imperialism Union" Tradition*, was published on three pages of the October 17, 1982 NODONG SINMUN. This was to display another quality he must have as a leader: an anti-Japanese revolutionary tradition and insight on party building. In an editorial four days later, NODONG SINMUN quoted it as one of Kim Chong-il's teachings. Using the name, "Party Center," seven times and "Kim Chong-il" seven times, it greatly emphasized his position.

A thesis, *On Further Improving the People's Lives* published on 16 Feb 84 played a very important role in Kim Chong-il securing the legitimacy of his regime. Since it was published, all NK economic policies have come to

quote this thesis and all economic policy success since then has been completely credited to him. His image was further strengthened with the report that the results of the "August 3rd People's Consumer-Goods Increased Production Movement" to improve the people's lives, the Kwangbok-kori and Tongil-kori construction to increase the number of housing complexes, etc., were achieved based on the teachings of this thesis.

In July 1984, with the presentation and publication of *On Further Strengthening Party Leadership of the Youth Enterprise* and *On Further Developing the Educational Enterprise*, policy guidance was presented covering the whole of national education. Another work small in size but treated as important by the military was published in April 1984: *The People's Armed Forces Must Defend with Their Lives Their Leader and Party, Their System and Fatherland*. Although no works have been published on unification, *The Leader Kim Chong-il*, published in two volumes in 1984, not only depicts him as having deep interest in unification too, but it also publicizes that he has led the formation of various unification-related social organizations since the Koryo Federal System was proposed in 1980.

Together with the publication of his writings, the process of Kim Chong-il's political position becoming secure from October 1982, when his writings began to be published, through 1984 can be confirmed through NODONG SINMUN. Kim Chong-il's name started to be introduced on NODONG SINMUN's front page with the October 22, 1982 issue. Beginning in 1983, the frequency of its appearance increased. By November 1984, it reached its present form, in which articles on Kim Chong-il's recent situation and the publication of his writings are headlined on page one of NODONG SINMUN. This signifies that stage one of the publication of his works begun in October 1982 came to a conclusion in 1984.

In stage one, the work of highlighting Kim Chong-il's leadership image was carried out in parallel, by converting into the achievements of Kim Chong-il those for which the credit had formerly been given to Kim Il-song: the achievement of the various popular movements, such as the "Campaign To Create Examples of Loyalty Learned By Following Lathe Number 26," "Three Revolutions Red Flag Movement," "Three-Revolution Team Movement," "Production, Study, and Life—All in the Manner of the Anti-Japanese Guerrillas," etc. Also, in this process, the fact that a "semi-war state" was proclaimed in February 1983 has similar aspects with the "semi-war-state" proclamation made prior to Kim Chong-il's appointment as National Defense Committee Chairman in March 1993. This can be seen as a measure taken to help minimize internal side effects resulting from pushing his succession forward.

B. Stage Two: Retroactive Publishing and the Creation of a Successor Image

Stage two was the collection and retroactive publishing of Kim Chong-il's past writings. This is more closely

related to the construction of the Kim Chong-il-succussion system. Of the total of over 400 writings by Kim Chong-il, the entire texts of 30-some works were contained in the *DPRK Yearbook* and *NODONG SINMUN* in the year of publication, so there is no question of their veracity. This is not even 10 percent of the total. That is, the remaining 90 percent of his writings can be seen as a retroactive publication of past works. This was to create Kim Chong-il's talent as a successor. Retroactive publishing was probably more important than anything else for highlighting his talent as a thinker.

The publishing generally took place between 1985 and 1987. Published first was Kim Chong-il's college-graduation thesis, *The Position and Role of the Military in the Construction of Socialism*, from March 18, 1964. Then economics-related works were published: *Let Us Strongly Carry Out the Three Revolutions, Causing a New Upsurge in Production* (July 1, 1975), *Let Us Strengthen Party Leadership of the Rural Economy, Causing a New Upsurge in this Year's Agricultural Production* (February 6, 1976), *On Further Developing Science and Technology* (August 3, 1985), and *On Observing Revolutionary Discipline within the Party and Further Strengthening Party Leadership of Socialist Economic Construction* (July 13, 1978). These works, together with *On Further Improving the People's Lives*, are considered important writings of Kim Chong-il dealing with the economic sector.

The reason economics-related works were published in a concentrated manner at this time was to create his image as an economic-policy theorist and secure the legitimacy of his regime. This was to be done by supporting the policy to improve the people's standard of living through a revolution in light industry he advocated beginning in 1984. In June 1985, the "June 1985 Machine Tool Multiplying Movement" was carried out. In early 1986, in connection with improvement of the people's standard of living, a blueprint was presented for pursuing the construction of Kwangbok-kori. The frequency of Kim Chong-il's working-level guidance increased in connection with these large-scale, economic-construction projects. Accordingly, it appears that the collection of his economics-related works took on important meaning.

Meanwhile, at this time an attempt was made to establish his image as a leader by collecting and publishing *On Several Problems in Developing Cinematic Art* (March 1, 1978), *To Further Develop Chuche Cultural Art* (March 31, 1981), etc., works in the sociocultural field. A representative work on his literary theory, the entire text of *Cinematic Art Theory* was made public in *For the Completion of the Chuche Revolutionary Great Task Volume II*, and translated and published in various languages. Thus, his image as a "genius of literary art" was brought into relief. Also, publishing a pamphlet entitled *Gifted One of Ideological Theory*, the Korean Workers Party Publishers propagandized on his college writings and effectively used them in creating the myth of Kim Chong-il's genius.

As background to the full-scale retroactive publishing in 1985, we can point to China's fulfillment of its promise of support for the Kim Chong-il system through his visit to China in June 1983, Chinese Communist Party General Secretary Hu Yao-bang's visit to NK in May 1984, and Kim Il-song's visit to China in November 1984, and that it was influenced by the positive discussion of Kim Chong-il's succession during Kim Il-song's six-week tour of the Soviet Union and Eastern Europe during May and June, 1984. Not only this, but internally it appears to have started in the designs of Kang Song-san, elected prime minister in the third session of the Seventh Supreme Peoples Assembly in 1984, and others of the reformist forces to expand their own power by using the glory of Kim Chong-il in the course of actively pursuing Kim Chong-il's economic policies.

C. Stage Three: Systematization of Publishing and Preparation for the Succession

After the succession issue concerning Kim Chong-il was mentioned in Kim Il-song's official statement in May 1986, NK changed direction to publishing writings for the succession. In preparation for the succession, NK entered a new phase by conducting a publishing project for transferring the charisma of Kim Il-song to Kim Chong-il and for establishing the legitimacy of the Kim Chong-il regime. During the eight months from late September 1988 through early May 1989 as many as 13 Kim Chong-il writings were made public as preparation for this succession.

First of all, NK started supplementing the area of the Kim Chong-il's leadership succession process in which he was the weakest: unification. He was made the center of lively activity in that area. As of yet, no independent Kim Chong-il works on unification have been published. However, NK started inserting sections on North-South unification in the last part of documents, beginning with the October 1988 *The Present Time and the Duty of Youth* and *An Answer to the Question Posed by the Cuban newspaper GRANMA's Chairman in October 1989*.

NK is also highlighting Kim Chong-il's great influence on unification. Not only was it made official that he is playing a leading role in unification with his 1988 presentation of the so-called "Four Principles Guaranteeing Peace": orientation toward unification, withdrawal of U.S. forces, North-South arms reduction, and negotiation between the parties, but it gives Kim Chong-il all the credit for sending relief goods for flood-disaster victims in September 1984 and the mutual exchange of art teams and hometown-visitation groups realized in September 1985.

Second, he did an overall organization of literary theory. Putting together a work on literary theory, Kim Chong-il started publishing with a book entitled, *On the Literary Art of Chuche*, and published five books by the end of 1990. [passage omitted] Apparently, writings on this field were systematized first, out of consideration for the

fact that Kim Chong-il's talent as a thinker begins in literary theory and that even at present he is active as the leader of the literary field.

Third, NK commenced full-scale systematization of Kim Chong-il's works by publishing on February 14, 1992 for the first time in a complete-works format, *Kim Chong-il Selected Works Volume I*, in commemoration for his 50th birthday. [passage omitted] These writings were praised in the extreme by NODONG SINMUN, which called them a strong guide to be held firmly in the construction of Socialism and Communism, an encyclopedia revealing the way by which the achievements of socialism can be defended and advanced through the realization Chuche Thought.

Also, in the course stage-three publication for the succession, NK made a first attempt at dispersing the focus of praise concentrated on Kim Il-song. That is, by symbolizing Kim Il-song as a figure of the Anti-Japanese Revolutionary Struggle and highlighting Kim Chong-il as a capable leader of the present time, NK wanted him to inherit the leader's authority, monopolized by Kim Il-song during the construction of socialism in NK after liberation from Japan. Beginning in late 1987, NK had emphasized the history of the anti-Japanese struggle of Kim Il-song, through such things as the discovery of the so-called "Slogan Tree."

The History of the Korean Workers Party, published in 1991, can be understood in the same context. Centered on Kim Il-song, *The History of the Korean Workers Party* (1979 Edition) was suddenly revised. With the exception of those portions related to the Anti-Japanese Revolutionary Struggle, most mentions of Kim Il-song were replaced with Kim Chong-il.

In particular, NK in 1988 produced and showed the documentary film, *1974, The Year of the Great Turning Point*, in which Kim Chong-il was depicted as if having already been made successor in 1974. This has led to the idolization of Kim Chong-il by creating symbols, such as the cultivation and propagation of the Kimjongillia [a flower named after Kim Chongil], Chong-il Pong (November 15, 1988), Hyangdo Pong (January 1991), and Mansu Mugangsu (February 9, 1991). Also, the fact that since 1987 the *DPRK Yearbook* has not been using his previous titles, "Leader," and, "Secretary," can be seen as preparation for the use of the title, "The Leader."

3. Conclusion

The publication of his works has functioned as an indispensable element of the construction process of his succession. Through the third stage of publishing, the evaluation of his past activities and his image as a leader were reformed: his college years were mysticized, the successor issue was resolved early (in 1974), and his talent as a thinker and his abilities as a leader were demonstrated.

We cannot overlook the propaganda activity contributed by overseas networks, such as the Chochongnyon [NK-sponsored union of Koreans living in Japan] and the African Chuche Thought Research Center, in the construction of Kim Chong-il's image. To put it another way, his being the heir and the leadership succession were brought up more directly through overseas organizations. By reporting this in domestic newspapers and broadcasts, NK built the people's image of Kim Chong-il. Also, titling his works using popular slogans appears to have greatly contributed to the elevation of his popular appeal within NK and the expansion of his influence.

Viewed overall, his writings have not yet been developed comprehensively into a single work encompassing politics, economics, diplomacy, and unification, as is the case with Kim Il-song's writings. Concerning diplomatic and unification issues in particular, Kim Chong-il's writings are of little importance.

Most teachings being carried out in NK's economic and literary fields are based on the writings of Kim Chong-il. In economics, in connection with the recent construction of Tongil-kori and the pursuit of a revolution in light industry, his *On Further Improving the People's Lives* is frequently quoted as a message from the ruler. Because they have systematized all the fields of cinema, music, dance, art, architecture, and literature, Kim Chong-il's writings are quoted as teachings concerning literary activities too. Since Kim Il-song's writings on Chuche Thought and the party organizational system, are indispensable for Kim Chong-il's succession, the frequency of quotations from Kim Chong-il's writings on these areas too is gradually increasing.

In connection with the establishment of Kim Chong-il's image, the question of how to establish a relationship between Kim Chong-il's and Kim Il-song's writings will become important. NK will have to increase quotation of Kim Chong-il's writings in the mass media, etc., to establish his image and build his power base. Because of this, there is the possibility that conflict will occur with the writings of Kim Il-song over the quotation issue. Such problems in the establishment of a relationship between them will have to be resolved by classifying the two series of writings by time period. Kim Il-song's writings will be limited to the period before the advent of Kim Chong-il. Kim Chong-il's writings will be used for the period after he came on the stage.

Since it is asserted that Kim Chong-il was already the successor in 1974, it is predicted that quotation of his writings published after 1974 will increase. For the present, however, since there are no Kim Chong-il writings before 1960, for this time at least, NK will have no choice but to depend on the writings of Kim Il-song. Thus, from a long-term standpoint, NK will have to unify the quotation issue by classifying the works of Kim Il-song and Kim Chong-il using 1960 or 1974 as a standard.

'Belated Attention' to Japan's Plutonium Noted

*SK1305065994 Seoul HANGYORE SINMUN in Korean
12 May 94 p 2*

[Article by reporter Pak Chong-mun: "Government's Belated Attention to Japan's Moves for Nuclear Armament"]

[Text] With the operation of fast-breeder reactors, completion of the largest nuclear reprocessing plant in the world, and introduction of plutonium from overseas, Japan, our neighbor, has aroused heated public debate in the West. Our government, which kept silent despite such heated public debate, has begun to direct its attention to Japan's nuclear policy.

What touched off our government's interest was the unexpected discovery of 70 kilograms of plutonium in the nuclear reprocessing plant operated by Japan Energy and Nuclear Fuel Development Corporation. The entire world has suspected North Korea of having extracted and concealed kilogram-levels of plutonium prior to inspection by the International Atomic Energy Agency [IAEA] in May 1992. We may point out that contrary to such global suspicion on North Korea, the recent incident in Japan has been treated in an exceedingly light manner. In fact, nine nuclear bombs the size of the bomb (12.5 kiloton) dropped in Hiroshima in 1945 can be manufactured with this amount of plutonium. This should not be overlooked.

Needless to say, direct comparison of plutonium possessed by Japan with that of North Korea is unreasonable. While pushing ahead with nuclear energy development by putting forward the slogan, "democracy, openness, and independence," Japan has allowed the highest-degree of inspections by IAEA. Contrary to this, North Korea has been trying its utmost to evade IAEA inspections as much as possible.

The IAEA is using most of its budget to watch Japanese and German nuclear facilities, by permanently posting seven inspectors in Japan's nuclear reprocessing facilities. Thus, the discovery of such a large amount of plutonium which the IAEA failed to uncover is certainly an issue.

We may point out, first of all, that there are many unforeseen blind spots [sagak chidae] in the IAEA's inspection system. An even more serious problem is that even if Japan, which is classified as a "semi-nuclear state," were to convert nuclear material on its own after getting rid of IAEA surveillance, no other nation would be able to take steps until its conversion was exposed to the public.

It is not easy for one to use nuclear material for purposes other than the generation of atomic energy, even if this material is produced outside surveillance network, because thorough surveys are conducted at each important step in the enrichment, reprocessing, and stockpiling of nuclear fuel. Nonetheless, Japanese nuclear

technology, has reached a top level in the world, and includes laser enrichment technology that can be put into operation secretly. This being the case, experts point out that Japan can convert nuclear material whenever it should so desire.

At the same time, the Japanese openly declared plan to stockpile plutonium in order to operate high-breeder reactors and converters, has even more serious implications. Experts in the West believe that Japan will stockpile 71.6 tons of plutonium by 2004, and will be able to store 14.9 tons of plutonium from 1993 to 2004 in an unused state after using the amount necessary for use in atomic energy power stations. One can produce 1,500 to 2,000 small-size nuclear bombs with this amount of plutonium. Thus, the world is directing attention to the issue of Japanese plutonium.

Our government showed no objection to the Japanese denuclearization policy until last year, because it believed that the Japanese nuclear facilities were under strict international surveillance and that the United States would not remain indifferent to the Japanese moves for nuclear armament. Our government also put into consideration the fact that hurting the Japanese people's feelings would not help resolve either the North Korean nuclear problem or problems pertaining to past relations between the ROK and Japan in a satisfactory manner. However, the government has now changed its attitude with the discovery of plutonium as an occasion, to cautiously raise a voice toward the Japanese nuclear issue. It appears that the government's decision is based on its judgment that this issue should no longer be overlooked. Meanwhile, by taking issue with the possibility of Japanese nuclear armament, North Korea is continually attempting to deflect away attention from the declaration of the denuclearization of the Korean peninsula, and our government has also had to consider this. Moreover, recent trends indicate that a possible slackening in the U.S.-Japan security alliance relations, which has been key to blocking Japan's nuclear armament. This being the case, we should make appropriate preparations for such a situation.

Article on 'Wavering' of Chongnyon Members

*SK1305143194 Seoul CHUGAN CHOSON in Korean
12 May 94 pp 18-21*

[Article by U Chong-chang: "Making a Living Is More Important Than Ideology—Members of General Association of Korean Residents in Japan, Chongnyon, Are Wavering"]

[Text] Chongnyon [General Association of Korean Residents in Japan], a source of money for North Korea and its overseas subordinate organization, is wavering. The organization itself is still following the North Korean line, but its constituents are wavering. The possibility of their collective secession from Chongnyon is still slim because their families are held in North Korea as hostages, because they would have no means of livelihood if

they leave Chongnyon, and because of the sense of loyalty that they should not betray the organization that gave them help. Although they are physically involved in Chongnyon, their sense of disappointment with North Korea, which they believed to be a paradise on earth, has increased over the years and their expectations for reunification are growing distant. As a result, an attitude of attaching more importance to "oneself" than the "organization" is being created.

The nationality of pro-Chongnyon people is simply "Korean" [Choson], neither North nor South Korean. On the other hand, members of the Federation of Korean Residents in Japan [Mindan—pro-ROK organization] clearly have the nationality of the ROK. Because there are no diplomatic relations established with North Korea, the Japanese Government does not recognize the nationality of "Korean" as the title of the nation. The Japanese Government regards it merely as an "emblem." If pro-Chongnyon people want to visit North Korea, they have to obtain a "voyage certificate" from the Japanese Government without fail. If they do not obtain this certificate, they will not be allowed to return to Japan.

This is not all the inconveniences that affect their daily life. With its past record of "destructive and violent acts" committed in the course of its formation, Chongnyon is an organization subject to application of the Japanese "destruction prevention law." If Chongnyon commits acts destroying Japanese order, the Japanese Government may issue an order for forcible dissolution of Chongnyon at any time according to the law. This is why Chongnyon headquarters frequently hand out an order to its subordinate organizations to abide by the law. On the contrary, Mindan is not subject to application of this law.

There are many factors threatening Chongnyon organizations, including various restrictions, a sense of upcoming economic unrest if economic sanctions are imposed on North Korea, and human rights issues for Japanese living in North Korea that have been raised among the people in Japan. Moreover, even its constituents tend to show a move to seek "oneself" instead of "organization" and "welfare" instead of "ideology." As a result, Chongnyon's Central Standing Committee is in a difficult position of having to simultaneously deal with outside threats and internal discontent.

In testimony at the Japanese Diet on 30 March, Ogata Shigetake, director-general of the Japanese Agency for Public Security and Investigation, said that there are about 680,000 South and North Korean people residing in Japan. Of them, 369,000 are pro-Mindan and 247,000 are pro-Chongnyon. He also revealed that among pro-Chongnyon people 56,000 are actively involved in Chongnyon. These 56,000 people are "main force" [Chongjong yowon] who sustain Chongnyon organizations. They are only one-fourth of all Chongnyon constituents.

This "main force" is further classified into "organizational staff," "full-time workers" and "activists." The organizational staff and full-time workers are paid every month by the Chongnyon Central Standing Committee and activists are those who positively participate in Chongnyon activities. They play the role of shock brigades by actively opposing anti-Chongnyon forces within Japan by violent means in disguise of lawfulness. Organizational staff and full-time workers are afraid that diplomatic relations will be established between Japan and North Korea. They fear that if Japanese-North Korean diplomatic relations are established, Chongnyon's properties and organizations will be absorbed and they will lose their jobs to those who North Korea assigns to Japan.

500,000 Yen Per Person for a Meeting With Kim Il-song

North Korea's Kim Il-song sent a congratulatory message to Han Tok-su, chairman of Chongnyon, on 1 January 1993, and emphasized the strengthening of Chongnyon organizations and the establishment of an ideological guidance system. In this message, Kim Il-song urged Chongnyon to promote its patriotic work—the work of supporting North Korea—to a higher stage and to prepare Chongnyon to be a "reliable defender of the socialist fatherland."

Experts in issues concerning Chongnyon unanimously noted that the popularity of North Korea within Chongnyon began to gradually decrease starting in the early 1980's and began to fall rapidly in the late eighties. The amount of money remitted to North Korea by individuals fell to 10 million yen from 100 million yen, and has even fallen to 1 million yen subsequently.

Since the amount of money remitted to North Korea has decreased, North Korea resorted to various means to deprive Chongnyon of money. Mr. Chang Myong-su (60), senior secretary of the "Council for Measures for Compatriots Repatriated to North Korea," who is waging a movement for human rights of the compatriots repatriated to North Korea, said:

Two hundred students of Chongnyon-affiliated Choson University were collectively repatriated to North Korea in 1972. North Korea tried to send 50 students of the 200 to Japan in 1991 for the purpose of begging money from their former classmates who inherited wealth from their parents and who were now engaged in large business by pleading their difficult life in North Korea. North Korea gave up this plan because of a possibility of diplomatic friction and fear that the students would escape and not return to North Korea.

North Korea also attempted to sell grave sites to Chongnyon in 1984. A Chongnyon-affiliated leading businessman said: Any man, after getting old, thinks of his native home. This is more true for Chongnyon's first generation, which is older than 60. North Korea, keenly sensing such feelings by Chongnyon's first generation, proposed the sale of grave sites in an attempt to earn

foreign currency. In other words, North Korea wanted to sell excellent sites in native towns for grave sites for the sake of money. This work was urged under Kim Chong-il's leadership. The concrete amount of payment for each pyong [land measurement] of land was bargained for. Kim Il-song, learning of this, opposed the sale, and stated that "although earning foreign currency is important, the act of selling land in a socialist country cannot be tolerated."

An even more serious incident occurred during the Pyongyang youth festival in 1989. The Pyongyang festival was an international event arranged by North Korea in an attempt to cope with the 1988 Seoul Olympics. Yim Su-kyong, a student of Korea University of Foreign Studies in Seoul, voluntarily went to the North in order to attend this event. In the wake of this youth festival, North Korea advanced the following propaganda in an effort to induce donations to Chongnyon: "If you pay 5 million yen [\$49,000] per person, you will be allowed to meet the great leader by visiting Pyongyang by a special plane."

Nevertheless, the response to this propaganda was negligible. Therefore, North Korea lowered the amount of payment, and in the final stage, the amount was decreased to 500,000 yen per person. The condition of meeting Kim Il-song by visiting Pyongyang in a special plane remained unchanged. As this was revealed, Chongnyon's main force publicly complained, stating that they devotedly worked for the socialist fatherland throughout their life but they were unable to meet the great leader. Now, however, if one pays money, a meeting with the great leader will be granted. How on earth can this happen?

One of the impending difficult problems to which Chongnyon shows a most sensitive reaction is the anti-Chongnyon movement being waged in Japan. Anti-Chongnyon activities in Japan are categorized by two movements: One movement is pushed for and led by Ogawa, a professor of Tokyo University, and is waged by Japanese human rights organizations calling for the promotion of human rights in North Korea. The other movement is led by Chang Myong-su and is waged by former Chongnyon's core members calling for human rights protection of Korean compatriots repatriated to North Korea.

Chongnyon Organization

Central Standing Committee

(One chairman, One first vice chairman, Nine vice chairmen)

Secretariat

Organizational Department

Propaganda Department

Political Department

Education Department

International Department

Economy Department

Social Affairs Department

Cultural Department

Planning Department

Finance Department

General Affairs Department

Home-Visiting Department

Local headquarters: 48

Chapter offices: 300

Branch offices: 1,550

Subordinate organizations: 18, including Chongnyon Chamber of Commerce

Schools: 148

Enterprises: 23, including CHOSON SINBO Daily

Professor Ogawa is a person well-known to us who revealed and made an issue of human rights in our country during the fifth and sixth Republics. However, he has now changed his attitude and presented human rights violations in North Korea to the Japanese Government.

An anti-Chongnyon rally was held last April in Osaka and Tokyo. The rallies were disturbed by an organized opposition of the main forces [chongjong yowon] of Chongnyon. The Chongnyon main forces checked and frustrated the Osaka rally by force of arms.

As this became a controversial issue in Japanese society, the Japanese police searched 13 Chongnyon offices in Osaka. Such a hard-line attitude of the Japanese police was said to be unprecedented. The Chongnyon could not counter the Japanese police's hard-line measures. Herein lies Chongnyon's dilemma. The dilemma is that if Chongnyon ignores anti-Chongnyon activities, a situation endangering its organizations will result and if it uses force against anti-Chongnyon activities it will result in the Japanese police further cracking down on Chongnyon organizations and may lead them to eventually apply the "destruction prevention law." It is known that Chongnyon has enough strength to the extent that it can buy off leading figures in Japanese political circles. However, it seems to be difficult for Chongnyon to check and frustrate human rights groups' activities.

Under such a crisis, there have been signs that the unity of the organization is shaky. A typical example is its members' complaints against Ho Chong-man, its responsible vice chairman. Ho assumed the post last July. He is

virtually the No. 2 man of Chongnyon and is regarded to succeed Chairman Han Tok-su.

There still is controversy inside Chongnyon over the appointment of Ho to that post. Chongnyon was originally supposed to be made up of one first vice chairman and nine vice chairmen under the chairman. If the chairman is in an accident, the first vice chairman is supposed to be the acting chairman. Disregarding this stipulation, the Central Standing Committee of Chongnyon appointed Ho to that post on the grounds it was ordered by Kim Chong-il. At that time, Yi Chin-kyu was the first vice chairman.

On the grounds that it is wrong to appoint a formerly expelled person to the post of vice chairman, there was prevalent criticism against the appointment of Ho—who had been expelled in 1968 after being branded a factionalist in an internal feud involving Chongnyon's command system—to the post of responsible vice chairman. Any decision of the Central Standing Committee should be referred to an enlarged central committee for deliberation and then to a plenary meeting for approval. This appointment, however, did not follow such a procedure. This move has been criticized as being an expedient. Since the appointment of Ho, the Chongnyon Central Committee has held a succession of support rallies or study meetings for bureau chief-level and above officials, thus preventing this from becoming an issue.

Despite this, Chongnyon members have been keeping a keen eye on the activities of Ho as he is smart in 'money.' Ho had been trained in the International Affairs Department and the Financial Affairs Department of Chongnyon. He has never worked in the Organization Bureau or Social and Cultural Bureau. Those inside and outside Chongnyon say that he is a careerist who has handled only money. Therefore, it is believed he will forcibly sell Chongnyon's property in Japan and send it to North Korea if it is necessary to advance his career. The issue of disposing of Chongnyon property is a sensitive one between North Korea and Chongnyon.

Fight Over Property Between North Korea and Chongnyon

Chongnyon members have shown responses of "it is unexpected" or "it is a mystery" regarding Kim Il-song's appointment of Ho Chong-man. They suspect it is a calculated step to divert Chongnyon property to North Korea as Ho is a colleague of former Chongnyon Vice Chairman Kim Pyong-sik, who was appointed vice president of North Korea in an abrupt manner.

Chongnyon property is estimated to amount to as much as between 20 trillion yen (about 200 billion dollars) and 30 trillion yen from a combination of bank deposits of Chongnyon people and stationary assets, such as buildings affiliated with Chongnyon. This is several tens of times as much as North Korea's GNP of \$21.7 billion as of the end of 1992. As of the end of July 1993, deposits at finance institutions, such as the Choson Bank, Credit Union, and Kumgang Insurance Company, amounted to

2,390 billion yen (about 25 billion dollars). Buildings such as Chongnyon Central Hall, Choson Publishing Hall, and CHOSON SINBO are located in the center of downtown Tokyo, where land prices are the highest in the world. A total of 148 schools affiliated with Chongnyon are also stationary assets with immense value.

Originally such stationary assets belonged to each individual. As their owners die, ownership has experienced a change in type. The type differs by regions. In the case of Osaka, there are four Chongnyon headquarters in the eastern, western, southern, and central regions. The land and buildings in the eastern, southern, and central regions are all under individuals' names. The land in the western region is under an individual's name, but the building is under the name of Kongyong Corporation. The corporation is known to be affiliated with Chongnyon. Property in some regions are under the names of a responsible person of a Chongnyon chapter, a responsible person in the commercial and industrial sector, or a third person.

North Korea claims they own this property. Some people in Chongnyon, including responsible vice chairman Ho Chong-man, sympathize with this claim. The majority assert, however, that the property should be used for the welfare of all of Chongnyon. Their logic is that it should be used for such welfare because individuals have donated the central headquarters, the publishing hall, and schools to the Chongnyon organization. Cadres of North Korea and Chongnyon have had frequent contacts to discuss this issue since the 1988 Seoul Olympics, but it is reported they have failed to reach a conclusion.

Those inside Chongnyon were greatly shocked in September 1990 when Kanemaru, vice president of Japan's Liberal Democratic Party; and a vice chairman of the Japan Socialist Party, issued—when they visited North Korea—with North Korea's Workers Party a "Three Parties' Joint Declaration" related to establishing diplomatic relations between Japan and North Korea. They were shocked because they felt uneasy that if North Korea and Japan should establish relations, the nationality of those affiliated with Chongnyon would be changed to North Korean and they would have to abide by North Korea's Constitution. Thus, they had misgivings that their rights to their property in Japan might not be recognized.

With Kanemaru's visit to North Korea as momentum, Chongnyon organized a project team to make a detailed examination of such an issue. Such a move was discovered by the ROK Embassy in Japan. Around that time, our government supported Chongnyon from the standpoint of compatriots by publishing a booklet entitled "An effect of the normalization of relations between North Korea and Japan on the compatriots affiliated with Chongnyon" in cooperation with Mindan. It is reported that the Chongnyon's own project team has failed to do anything due to obstruction from North Korea. It is said that the movement to protect Chongnyon property is still under way.

Under such complicated circumstances, the assumption of the post of responsible vice chairmanship of Ho Chong-man, a finance expert and a colleague of Kim Chong-il, has further agitated Chongnyon members. It is said that some Chongnyon cadres are secretly hiding their property to avoid it being confiscated by North Korea and that some are demanding the return of donated land through law suits. It is said that a perception "Chongnyon's property is of the nation" is widely spreading in Osaka where many Chongnyon-affiliated people are living.

In fact, people affiliated with Chongnyon are said to have almost neglected preparing for their old age. They have been inculcated by Chongnyon that "if reunification should materialize, you could return home." Thus, they have eagerly waited only for the day of reunification. With the dream of returning home some day, they are said to pin almost all of their hopes on that organization, which would make such a dream come true at an early date. So, they donated their own money to build schools and spared no money to be sent to North Korea with a view to contributing to the development of their fatherland. This notwithstanding, as they are aging and their children are growing up, their expectations for reunification are becoming a more and more remote dream.

In November 1993, the Chongnyon Central Committee discussed the issue of "protection of compatriots' rights" as an important agenda item. It was the only agenda discussed. According to the ROK Embassy in Japan, it was the first time the Chongnyon Central Committee ever convened with the single agenda item of "protection of rights." The ROK Embassy understood that this was a sign of change on the part of Chongnyon, which has thus far shouted political slogans, but is now paying attention to its members' welfare.

Many Chongnyon-affiliated schools are now faced with the crisis of closure due to the drastic reduction of the number of students. This is because parents are reluctant to send their children to such schools on grounds that "it is difficult to adapt to Japanese society, where competition is fierce, if you graduate from Chongnyon-affiliated schools where ideological education is emphasized." All the Chongnyon-affiliated schools in the Osaka area took down placards of Kim Il-song hung in school buildings last year. This is a sign showing that a wind of change—today's life is more important than ideology—is blowing within Chongnyon.

Embassy Staff in Yemen Partially Withdraws

SK0905022094 Seoul YONHAP in English 0154 GMT
9 May 94

[Text] Seoul, May 9 (YONHAP)—The South Korean Foreign Ministry ordered the partial withdrawal of embassy staff family members and Korean residents from Yemen on Monday.

Yi Yang, director-general for Middle East and African affairs, said 25 out of 39 Koreans, including family members of the mission staff and residents, will leave Sanaa on Monday while ambassador Cho Kyu-tae and 14 others will stay behind.

If the armed conflict gripping the country intensifies, the Ministry plans to pull out all embassy staff, he said.

"The withdrawal right now is for those who wished to leave. It's in case the situation there suddenly worsens," Yi said.

Except for an evening curfew, all public offices, schools and banks are said to be operating normally in the capital city of Sanaa.

Trade Ministry Said Not Interested in NAFTA

SK1305012094 Seoul YONHAP in English 0052 GMT
13 May 94

[Text] Seoul, May 13 (YONHAP)—The South Korean Government has concluded that it is premature to consider joining the North American Free Trade Agreement (NAFTA) since membership would likely bring more harm than good to the country.

The Trade, Industry, and Energy Ministry said Friday it will state that now is not the right time to discuss joining the regional free trade accord, which took effect early this year, if Mexico brings up the matter during bilateral trade ministerial talks on May 16-17.

Korea has not yet been approached by NAFTA member countries—the United States, Canada and Mexico—to join them in the free trade agreement through either official or unofficial channels, a ministry official said.

"But we want to clearly state our position now because Korea has been under suspicion of intentionally spreading rumors of its becoming a NAFTA member," he said.

U.S. Trade Representative Mickey Kantor also brushed aside the possibility of including Korea in the regional trade arrangement at a Senate committee hearing last February.

He said Chile and other Latin American countries would be the first candidates to jump aboard and distant nations like Singapore and Korea were not under consideration at present.

The initial idea behind NAFTA reportedly involves turning it into "AFTA"—an American free trade agreement—that could flex its muscles against rival alliances across the Atlantic and the Pacific.

The ministry coordinated the views of economy-related agencies and organizations and concluded that it is too early to consider NAFTA membership.

Supporting this conclusion, traders' bodies like the Korea Foreign Trade Association (KFTA) and the Federation of Korean Industries (FKI) have said that joining NAFTA would cause more harm than good.

Some foreign media have reported that Seoul and Washington secretly agreed to link Korea to NAFTA, but these reports proved groundless, a KFTA official said.

The Korea Trade Promotion Corp. (KOTRA) also pointed out that tariff benefits from joining NAFTA were limited and the disadvantages great due to complete agricultural and services market opening.

It recommended that NAFTA membership be considered long after the country adjusts to the impact of the Uruguay Round accord.

Ministry Plans To Recruit Special Trade Experts

SK1205085994 Seoul YONHAP in English 0704 GMT
12 May 94

[Text] Seoul, May 12 (YONHAP)—As part of its efforts to cope with diplomatic and trade challenges in the post-Uruguay Round era, the government will recruit more negotiating experts—perhaps as many as 15 percent of the successful examinees taking the yearly state diplomatic service test.

Reporting to the ruling Democratic Liberal Party (DLP) Thursday, Vice Foreign Minister Hong Sun-yong said the Ministry will expand its special recruitment program to strengthen its language ability and international economic and trade expertise.

Revising the current inefficient qualification procedures of the supernumerary appointment system, Hong said the written test for English and law will be replaced by curriculum vitae screening and interviews.

The Ministry may also introduce thesis testing in English and economics for the exam's second round, requiring that the economics questions be answered in English as well.

In order to make the most of Korea's overseas missions, the Ministry is to set up computer linkages with the Korea Trade Promotion Corp. (KOTRA), the Korea Foreign Trade Association (KFTA), the Bank of Korea and other organizations with offices abroad.

Noting the government's trade channels are scattered among 60 divisions in 20 agencies, the Ministry will seek to absorb all trade negotiating power to provide for consistent and effective decision-making and implementation.

To raise the diplomatic force's efficiency, the government will reduce overseas missions to 130 or 135 from the current 141. It will also refrain from posting grade-three or higher officials from other government agencies than the Foreign Ministry in overseas missions to prevent abuse of manpower and budget.

Power Struggle in Opposition Party Described

SK1205090794 Seoul YONHAP in English 0755 GMT
12 May 94

[Text] Seoul, May 12 (YONHAP)—Yi Ki-taek, chairman of the main opposition Democratic Party [DP], appears to be walking on thorns these days as rumors continue to spread of a possible political comeback by his predecessor, Kim Tae-chung.

Despite adamant denials by his aides and the retired politician himself, persistent speculation on a Kim comeback is having repercussions throughout the country, with some political pundits already predicting the dawning of "a new era of two Kims."

These observers believe there may be a new round of politics pitting DJ, as Kim Tae-chung is popularly called, against President Kim Yong-sam just like in the old days.

Meanwhile, talk like "crippled" and "DJ rules from behind the veil" is used to describe Yi Ki-taek's questionable leadership of the Democratic Party.

Outwardly Yi Ki-taek is maintaining a stony silence about such speculation. This is quite a change from the recent past when he observed that Kim Tae-chung could comment on any political issue, if he so desired, as a member of the party.

In an emotional farewell shortly after his defeat in the 1992 presidential election, Kim Tae-chung declared that he was retiring from politics for good. Nevertheless, he said he would like to retain his membership in the party for the time being.

In a recent interview with a provincial newspaper, Kim said that even if he wanted to make a comeback, he would not ride on the back of the Democratic Party or any faction. Hounded by reporters to clarify the remark, Yi lost his temper and retorted: "What do you want me to say?"

Yi was said to have ordered his aides not to comment on this question, either.

Yi's silence is probably due to his precarious position: He can neither deny nor confirm the speculation that Kim, despite his own denials, used the newspaper interview to extend a feeler on his comeback, placed ever so gently and ambiguously in the political arena as well as in the minds of the general public.

Yi has already declared his intention to run for president in 1997, and it is common knowledge that he was counting on Kim Tae-chung to muster powerful support for him when the time comes.

Hence his silence, as he would be most affected if the 69-year-old former DP chairman attempted a comeback.

Many political observers are looking no further ahead than the next presidential election. Yi Ki-taek's status as the leader of the No. 1 opposition party is already being eroded by the rumors of a DJ comeback.

In fact, Yi's chairmanship of the Democratic Party has always been shaky at best. He has been able to manage the party, some claim, only by riding piggyback on the DJ followers' faction.

By coincidence or design, however, DJ's followers—or the Tongyo-tong faction as they are called—are increasingly asserting themselves, expressing "displeasure" whenever Yi Ki-taek states his intention to run for president in 1997.

But rumors of a DJ comeback are not working entirely against Yi Ki-taek.

The Yi camp believes that the more people talk about DJ's return, the more difficult it would become for Kim to make an actual comeback. Kim's and his aides' denials of the rumours are apparently being made out of a similar belief.

And if DJ's comeback proved difficult under the present circumstances, the partnership between Yi and Kim—however awkward it may be—would be maintained for some time.

Burma

SRV Prime Minister's Visit Continues

Meets Tin Tun, Khin Nyunt

*BK1205150094 Rangoon Radio Burma in Burmese
1330 GMT 12 May 94*

[Text] Lieutenant General Tin Tun, deputy prime minister of the Union of Myanmar [Burma] called on Mr. Vo Van Kiet, prime minister of the Socialist Republic of Vietnam, who is currently visiting Myanmar, at the Seinle Kantha Guest House at 1000 this morning.

Also, Lt. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, called on the Vietnamese prime minister at 0900 this morning at the guest house.

Present at the meeting with Khin Nyunt were: U Ohn Gyaw, foreign minister; U Nyunt Swe, deputy foreign minister; U Aye, Myanmar ambassador to the SRV; and Thura U Aung Htet, director general of the Protocol Department of the Foreign Ministry.

Than Shwe Hosts Banquet

*BK1205151894 Rangoon Radio Burma in Burmese
1330 GMT 11 May 94*

[Text] The prime minister of the Union of Myanmar [Burma], Senior General Than Shwe, hosted a banquet in honor of visiting Vietnamese Prime Minister Vo Van Kiet and delegation currently on a goodwill visit to Myanmar in the Banquet Hall of the People's Assembly compound at 1900 this evening.

It was attended by General Maung Aye, vice chairman of the State Law and Order Restoration Council [SLORC]; Lieutenant General Tin Tun, deputy prime minister and SLORC member; various SLORC members; ministers; the dean of the diplomatic corps and ambassadors; representatives of UN agencies; and responsible officials.

Sr. Gen. Than Shwe delivered a speech and proposed a toast. In his address, he extended a cordial welcome to the visiting prime minister and the distinguished members of the Vietnamese delegation on behalf of the people and Government of Myanmar. He expressed his appreciation that the delegation's visit to Myanmar is being led by the prime minister and his wife and that he was pleased to have the opportunity to hold the banquet in their honor.

He said the Union of Myanmar and the Socialist Republic of Vietnam are two countries which are located in the same region and share traditional ties of friendship. He recalled how the two countries were supportive of each other during their respective national liberation struggles and were able to develop a lasting friendship.

He said the two developing nations as members of the nonaligned movement share identical views on regional and international affairs.

Sr. Gen. Than Shwe added that the two countries have a similar approach in managing national construction tasks aimed at raising the standard of living of the people, establishing a modern nation and regional stability. He noted that the two are both agricultural countries which are practicing a market oriented economy. He said he is very heartened to observe the success and progress Vietnam has achieved in a short period after initiating a market oriented economy. He said the countries can observe each other's experiences and contribute to mutually beneficial cooperation and help promote the emergence of stable and prosperous countries which will lead to a developed region. He said relations between Myanmar and Vietnam are based on friendship, goodwill, and mutual understanding.

He expressed his view that an exchange of visits between the leaders of the two countries will further the existing friendly relations between Myanmar and Vietnam and promote friendship in the next generation. The senior general believes that the visit of the prime minister will further promote the bilateral friendship. He said he looks forward to the opportunity to exchange views on matters of mutual interest and the international situation. He expressed his belief that such cordial and frank exchanges will contribute to bilateral respect, understanding, and friendship. He said such an exchange of views will in turn contribute a spirit of mutual assistance, understanding, and sympathy among the countries of Southeast Asia. He pledged to promote a spirit of mutual reliance and assistance in striving toward the emergence of a modern and prosperous region. Sr. Gen. Than Shwe then invited the Vietnamese prime minister to join him in a toast to the lasting friendship between the leaders of Myanmar and the Socialist Republic of Vietnam; to the health and well-being of the president of the SRV, Mr. Le Duc Anh; to the health and well-being of the distinguished guests; to the prime minister and Madame Vo Van Kiet; and to the health and well-being of all the distinguished guests and friends present at the banquet.

After the speech, the national anthem of the SRV was played by the state band. Vietnamese Prime Minister Vo Van Kiet replied and proposed a toast. Following a speech by the Vietnamese prime minister, the state band played the national anthem of the Union of Myanmar.

The popular music band from the Department of Myanmar Television Network and Broadcasting Service entertained the guests with modern songs before dinner and the Fine Arts Department of the Ministry of Culture entertained with classical music during dinner. Afterward, the guests were entertained with a cultural dance show.

Vietnamese Ministers Call on Counterparts*BK1205161094 Rangoon Radio Burma in Burmese
1330 GMT 12 May 94*

[Excerpt] Mr. Tran Hoan, Vietnamese minister of information and culture, called on Lieutenant General Aung Ye Kyaw, minister of culture, at 0900 today at the minister's office at the Department of Fine Arts, Kam-bawza Yeiktha, and held cordial and frank talks on promoting bilateral cultural exchanges and cooperation.

Mr. Da Tan Vinh, deputy minister of heavy industries of Vietnam and a member of the SRV delegation led by Prime Minister Mr. Vo Van Kiet, called on Lt. Gen. Kyaw Min, minister of mines, at 1000 this morning at the Ministry of Mines. The visiting deputy minister was accompanied by Mr. (Tran Son Chan), charge d'affaires of the SRV Embassy.

Mr. Do Quang Trung [head of the SRV Tourist General Department], member of the visiting SRV delegation, called on Lt. Gen. Kyaw Ba, minister of hotels and tourism, at 1100 at the reception hall of the minister. Mr. Do Quang Trung said at the meeting that his country would like to cooperate with Myanmar [Burma] in developing tourism and explained measures being taken to sign a tourist agreement in order to cooperate and exchange experiences in the hotel and tourism industry. He noted that Myanmar has many ancient historical sites which would be of interest to tourists and said a direct air link between Myanmar and Vietnam will be necessary for cooperation in tourism between Myanmar and Vietnam.

Hotel and Tourism Minister Lt. Gen. Kyaw Ba explained that efforts are being made in Myanmar to promote the hotel and tourism industry and that arrangements are being made to declare 1996 as Visit Myanmar Year. He said the matter of air links between Myanmar and Vietnam will be discussed by the ministries concerned and that like the Vietnamese minister, he, too, wishes to develop the tourism industry in the two countries.

Visiting Vietnamese Information and Culture Minister Mr. Tran Hoan and party called on Brigadier General Myo Thant, minister of information, at 1030 at the Ministry of Information on Bo Aung Kyaw Street and exchanged views on information work in the two countries. [passage omitted]

SRV Foreign Minister Calls on U Ohn Gyaw*BK1305101194 Rangoon Radio Burma in Burmese
1330 GMT 12 May 94*

[Text] Mr. Nguyen Manh Cam, foreign minister of the Socialist Republic of Vietnam, called on Foreign Minister U Ohn Gyaw at the Seinle Kantha Guest House at 1100 today.

Trade Minister, Delegation Leave for Bangladesh*BK1305101394 Rangoon Radio Burma in Burmese
1330 GMT 12 May 94*

[Text] A Myanmar [Burmese] delegation led by Trade Minister Lieutenant General Tun Kyi left Yangon [Rangoon] by plane for Bangladesh at 1805 this evening at the invitation of Mr. M. Shamsul Islam, minister of commerce of Bangladesh.

Maldivian Trade Minister, Delegates Leave Rangoon*BK1305102994 Rangoon Radio Burma in Burmese
1330 GMT 12 May 94*

[Text] A Maldivian trade delegation, which included Mr. Abdulla Yameen, minister of trade and industries and Mr. Mohamed Maniku, managing director of the state-owned trade organization, left Yangon [Rangoon] Airport at 1640 today.

The Maldivian delegation was seen off at the airport by U Aung Thaung, deputy minister of trade; U Thaung Sein, managing director of the Myanmar Export and Import Enterprise; and responsible officials.

Brunei, Malaysia & Singapore**Malaysia****UN Urged To Take 'Tougher Action' in Bosnia***BK1305105194 Kuala Lumpur BERNAMA in English
0732 GMT 13 May 94*

[Text] Kuala Lumpur, May 13 (OANA-BERNAMA)—Malaysia Friday reiterated its call for tougher action by the United Nations to protect its peacekeeping personnel following death of a Malaysian UN military observer in a Serb attack in Bosnia-Herzegovina on Thursday.

Defence Minister Najib Turl Razak said: We have repeatedly requested the UN to take more firm measures in the Bosnian issue not only because of the increasing number of fatal casualties among UN peacekeepers but also because of the deaths of hundreds of thousands of Bosnians.

Bosnia is a dangerous and chaotic place and incidents can happen anywhere at any time and our personnel are always at risk.

He was speaking at a press conference where he gave details of the death of Mejar [Major] Ariffin Zakaria, 33, who was killed by Serb mortar fire while on duty Thursday.

Najib said stronger action by the UN was needed because the situation could deteriorate further in the future.

U.S. Policy To Lift Bosnia Arms Embargo Hailed

BK1305103694 Kuala Lumpur Voice of Malaysia in English 0600 GMT 13 May 94

[Excerpts] China shares Malaysia's views that the membership of the UN Security Council should be reviewed. At the same time, it agrees with Malaysia's stand of resolving the Bosnian issue. Datuk Sri Dr. Mahathir was speaking to Malaysian journalists in Beijing. [passage omitted]

Meanwhile, Datuk Sri Dr. Mahathir has welcomed the United States Senate vote to lift the arms embargo on Bosnia so that the Bosnians could defend themselves from Serb attacks. He said the U.S. Senate's move was in line with Malaysia's long-standing call that the Bosnians be armed before countries with peacekeeping forces there under United Nations auspices withdrew them. The prime minister said he had told U.S. President Bill Clinton during their meeting in Washington last week that withdrawing the peacekeeping forces without first arming the Bosnians would be like rendering them to be slaughtered by the Serb terrorists. Datuk Sri Dr. Mahathir reiterated his views that the arms embargo imposed by the United Nations on Bosnia was invalid as it only applied to the former Yugoslavia which did not exist. On the other hand, Serbia continues to get arms supplies from Belgrade. [passage omitted]

Refugee Status Denied, 104 Vietnamese Go Home

BK1205091994 Kuala Lumpur BERNAMA in English 0716 GMT 12 May 94

[Text] Kuala Lumpur, May 12 (OANA-BERNAMA)—A total of 104 Vietnamese illegal immigrants from the Sungai Besi temporary camp returned home yesterday under the United Nations High Commissioner for Refugees (UNHCR) voluntary repatriation (Volrep) programme.

Federal Task Force principal assistant director (settlement) Kamarulzaman Murad said all those who returned home had not been accorded refugee status after screening.

A total of 3,054 Vietnamese illegal immigrants had voluntarily returned home since the programme was started three years ago.

Kamarul said there were some 6,820 boat people at the Sungai Besi camp and those who were not repatriated after the expiry of the Volrep programme next year would be sent home in stages before 1996.

Those who returned home under the programme could resettle in third countries like the United States and Canada under the orderly departure programme (ODP) which is only available in Vietnam.

Singapore

Daily Criticizes 'Disoriented' U.S. Asia Policy

BK1205142494 Singapore THE STRAITS TIMES in English 12 May 94 p 26

[Editorial: "Answer to Lord's Prayer"]

[Text] By Objecting to Singapore's offer to host the first meeting of the World Trade Organisation [WTO], United States Trade Representative Mickey Kantor seems to confirm the misgivings that the US government's senior-most Asia expert, Assistant Secretary of State Winston Lord, recently expressed in a presumably confidential communication to his boss, Mr. Warren Christopher. Mr. Lord's complaint was old hat, of course, to Asian countries which are at the receiving end of Washington's increasingly capricious foreign policy. They are already aware that "the sense of optimism and partnership forged in Seattle", when President Bill Clinton seemed genuinely to be moved by the conviction that his country's destiny was linked with the future growth of the Asia-Pacific region, is in danger of being eroded because of the unnecessary squabbles and ham-handed bullying that the US tries to pass off as diplomacy.

The intriguing feature is what provoked Mr. Lord to give vent to his frustration at this juncture, and how the letter came to be printed in a Washington newspaper. Leaks are a way of life in Washington, it has been so since the Watergate hearings, useful both as an instrument of vendetta and a means of floating constructive ideas. The trouble with such a weapon for all seasons is that it is not always easy to identify the precise purpose. But it can be assumed that most readers will see Mr. Lord's letter not as a product of the departmental rivalries and personal animosities that are probably rampant in a virtually rudderless administration, but as a plea for clarity and coherence so that Asian nations are not forced into a united front against the US.

What this underlines is that US policy has been lacking in purpose and direction in a part of the world that is so vital for American economic regeneration. The State Department spokesman's bland assertion of "excellent" ties with Asian countries, and attempt to blame the press for distorting Mr. Lord's letter, merely avoided the evidence of consistent inconsistency. The most charitable explanation for vacillation is that Mr. Clinton is so consumed by domestic preoccupations and electoral compulsions that he has little time for foreign affairs. Such astounding disinterest at the top may have emboldened certain members of his administration to grind their personal axes at the cost of long-term American interests, as well as global harmony. But the possibility of calculated blow-hot-blow-cold tactics, with trade department militants or crusaders for human rights roped in to do their acts cannot be ruled out, either.

Whether the strategy is naive or devious, the end product is the same: instead of winning friends and influencing

people, the Clinton administration seems to be alienating one nation after another. Asian countries that value their close economic and security ties with the US find such drift disconcerting. If business is the business of the US, then Asia is its major business partner, today and, even more, tomorrow. The statistics for American trade and investment speak for themselves. Picking quarrels with Asian countries will eventually hurt both sides destroying whatever remains of the spirit of Seattle.

It is a worrying thought that the world's only superpower should act so irresponsibly. The "malaise" that Mr. Lord complained of is not confined to relations with Asian countries. Evidence of disoriented initiatives in respect of Somalia, Haiti and Bosnia only compounds concern. The most effective answer to Mr. Lord's indictment would be a firm and coherent policy framework based on a clear vision of America's international role and permanent relationships. Global security demands such an enunciation. If Mr. Clinton fails to respond, he fails the world.

Military Exercises With Philippines Begin

BK1205122094 Singapore Singapore Broadcasting Corporation in English 1100 GMT 12 May 94

[Text] The Philippines armed forces chief of staff said arrangements for security and stability in the Asia-Pacific region are not required with organizations like ASEAN in place. Lieutenant General Arturo Enrile made the point at the opening of the exercise Anoa Singa 2/94 in Singapore today. He said that exercises like Anoa Singa can serve as a model for bilateral training arrangements among ASEAN member nations.

General Enrile and Singapore's chief of Defense Force, Major General Ng Jui Ping, officiated at the opening of the seven-day exercise. Anoa Singa will see over 1,000 men involved in the battalion-level war games exercise.

Cambodia

Editorial Faults King for 'Vacillating' on KR

BK1305071794 Phnom Penh KAOH SANTEPHEAP in Cambodian 11-12 May 94 pp 1, 4

["Today's Comment" column by Thlang Ambal: "By Being Indecisive, The War Will Not End"]

[Text] The domestic policy of the Kingdom of Cambodia remains complicated. It is neither liberal nor non-communist.

We have made this complaint because the king—the revered shade of the people—still hesitates to dissociate with the Khmer Rouge [KR] communists. Therefore, our internal policy seems to be in the middle point between liberalism and a killing field. This is similar to being on the abyss of death.

The formula that the king has proposed, such as allowing the KHmer Rouge to share power in the government, is not one to bring about peace. Neither is the formula for dividing Cambodia into three parts. The one on for reelection to seek the winners in order to establish peace is a formula that will only lead to a more serious war.

The failure of the war against the Khmer Rouge, which control only 10 percent of the territory, was caused by His Majesty's indecisive policy.

The only formula for achieving peace is to be decisive toward the communists, to stand firm on the side of the enemies of communism who are always ready to help us. If we stand firm on just one side, we will not regret even death.

If we agree to let the Americans help us sincerely, like good friends, Thailand, which also depends on the Americans, will certainly not dare help the Khmer Rouge. This will be a chance for the Khmer Royal Armed Forces to totally crush the Khmer Rouge.

It is better to take just one side than both. In this matter, former Marshal Lon Nol was very brave. He resolutely sided with the Americans. It is better to take just one side than wavering, which only causes endless misery to the people.

Observers of internal politics say that if we reject the Khmer Rouge, stop recognizing them, and turn to the free world countries for help in strengthening our army, the war will certainly end very quickly.

By being indecisive, one cannot be a leader and the war will not end.

Editorial Opposes Khmer Rouge Role in Government

BK1305035094 Phnom Penh KAOH SANTEPHEAP in Cambodian 9-10 May 94 p 1

["Today's Comment" column by Thlang Ambal: "Communism is not Wanted Anymore in Cambodia!"]

[Text] The various communist regimes in the world have all committed suicide. Only a few countries remain communist. They are moving gradually, however, toward a free market system. They are not abolishing with their communism speedily because they are ashamed before the rest of the world. These countries are Vietnam, the PRC, North Korea, and Cuba.

As for our Cambodian people, they do not want communism, and especially such a communist like Khieu Samphan, in the royal government.

Our people, as many as 99.99 percent, want multiparty liberal democracy. They want genuine freedom, genuine liberalism.

Therefore, to serve the people and their interest, we must unite as one to eliminate the Khmer Rouge to the last

man to avoid their presence in the government. We must not allow any communist to hold power in our Cambodia.

If the "roundtable" accepts the Khmer Rouge, it would be tantamount to accepting a tiger, thus suicide for the government.

The Cambodian people absolutely reject the Khmer Rouge. No influence can oppose this people's will! Anyone who overlooks the Khmer Rouge threat should not call himself a Cambodian.

Bill To Allow Foreign Currency Transfers Welcomed

BK1205102394 Phnom Penh CAMBODIA TIMES in English 8-14 May 94 p 2

[Editorial: "Monitoring the Unrestricted"]

[Text] The much-awaited investment law which allows a transfer of foreign currencies abroad, sent signals of Cambodia's warm welcome to investors.

Seen as one of Cambodia's bid to woo investors, funds may be remitted freely out of the country.

Even investors who do not export their goods or services and deal solely in local currency are entitled to the benefits of this regulation, as they can convert their revenue into foreign currencies without restriction.

But there is a need for the legislation, when passed, to be backed by strong legislative support pertaining to the definition of investment returns which can be remitted home.

If there was a strong need for legislative support, there is a more urgent note to provide a framework within which the transfer of investment will work.

In Cambodia, the responsibility lies with two bodies to perform these functions. They are the National Assembly and Council for the Development of Cambodia (CDC).

CDC, a regulatory body set up to study and make recommendations on investments and development, is presided over by the First Prime Minister, Prince Norodom Ranariddh.

Its main function is to advise investors, define incentives that investors are entitled to, grant them approval and very quickly check any questions that the investors might invoke.

With CDC, the bulk of responsibility of administration and bureaucracy will generally be taken away from ministries and be delegated to the organisation to function as a "one-stop investment service" centre.

Therefore, CDC should take the initiative to carefully structure a set of rules to act as a guide to investors on dos and don'ts.

This is the time to put Cambodia's house in order. There is no point in crying over spilt milk and making amends after going wrong.

This is especially important as CDC will also serve as the industry and trade justice council.

If CDC can lead the way in putting order to Cambodia's economy, it will not only benefit the country, but also lend credibility to the organisation.

Region 4 Commander Visits Troops in Preah Vihear

BK1105064994 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 10 May 94

[Text] Lieutenant General Chea Man, deputy commander of the 4th Military region, visited units on active duty in Preah Vihear Province recently. At a meeting with the 14th division commander and the commander of Preah Vihear Province's operational zone, he praised our officers and the rank and file for their efforts to carry out their duties, abide by the orders of their commanders at all levels, agreeably maintain solidarity with local villagers, and help educate the people.

Afterward, Lt. Gen. Chea Man listened to reports presented by the units on the activities pursued by the genocidal Khmer Rouge to destroy the property and livelihood of the people, causing most of those who live in remote areas far away from townships to flee their homes in the most miserable fashion.

Indonesia

'Attack' on East Timorese Visitors Regretted

BK1305110794 Jakarta ANTARA in English 1822 GMT 12 May 94

[Text] Jakarta, May 12 (OANA-ANTARA)—Foreign Minister Ali Alatas said Thursday an incident experienced by 41 Indonesians on a pilgrimage to a Catholic shrine in Portugal recently was "a matter of great regret."

"I am just surprised why the local security authorities had not foreseen the possibility and taken steps to prevent such an incident," the minister said after arrival at Sukarno-Hatta airport from a tour of Eastern Europe, Geneva, and South Africa.

"If this is the way Portugal welcomes Indonesians visiting Portugal under the mutually agreed 'confidence-building measures' (CBM), we would not have so readily agreed to taking them: (the CBM)," he said.

Indonesia and Portugal agreed in New York three years ago that they would work towards a comprehensive settlement of their dispute over East Timor by first engaging in so-called "confidence-building measures"

which included promotion of informal community-to-community contacts between East Timorese in East Timor and those living in Portugal.

Indonesian ambassador for special tasks Lopez Da Cruz who led 41 Indonesian pilgrims from East Timor upon arriving at Lisbon Airport on Tuesday (9/6), had been "attacked" by some irresponsible Portuguese.

The delegation is in Portugal to make a religious visit to the holy shrine of Fatimah.

Alatas said that Indonesia has always been supporting conducive dialogs that would lead to the settlement of the East Timor issue, among others, by implementing the CBM through "people-to-people contacts".

He said the Indonesian people and government had warmly welcomed the visit of 25 East Timorese living in Portugal.

On the result of the tripartite meeting among Indonesia, Portugal and United Nations [UN] on the East Timor issue held in Geneva on May 6, Alatas said that the meeting had agreed on taking "progressive steps".

"We mentioned some programs that we have implemented in line with the CBM," he said adding that Indonesia also agreed to additional CBM.

Alatas said that the U.N secretary general welcomed the London meeting that involved East Timorese figures living abroad with their counterparts living in Indonesia.

The UN secretary general would like to see Indonesia and Portugal expand their dialogs by involving more groups that had so far not yet joined the reconciliation dialogs.

Both foreign ministers agreed to "take note" of the UN secretary general's wish which means that they "neither support nor reject the proposal", Alatas said.

He said that Indonesia, in principle, does not reject a meeting that will involve groups of East Timorese, as long as the meeting is based on the spirit of reconciliation, non-political in nature, and formally dialogic between two communities that have been separated for a much prolonged time.

Alatas said that Indonesia would only use the tripartite meeting to achieve a political settlement of the East Timor issue.

A settlement process mediated by the U.N would be the only formal dialog, he said, adding that the crux of a solution to the East Timor issue remained to be "in the UN's pocket".

"The U.N still terms East Timor as a non-self governing territory and Portugal is termed as the administering power, and therefore we are still being the accused," he added.

People-to-people contact may still continue as the channel, he said, while rejecting the idea to make it as the first channel for the two countries to settle the issue.

He said that it was not necessary for both foreign ministers as well as the secretary general to take part in such a second channel, adding that any involvement of the three camps will make the channel become formal.

"Let the process go on naturally, the three camps should refrain from taking part in it," he added.

He said that the recent tripartite meeting also resulted in the Portugal foreign minister's readiness to hold talks with East Timorese that support the integration.

On the other hand, Alatas will also be ready to hold talks with groups of people that are against the integration.

"Ways and forms of dialogs will be up to both of the foreign ministers," he said.

Alatas said that he is ready to talk with anti-integration groups provided that they do not represent any organization or institution.

The next tripartite meeting will be held sometime in January next year.

Alatas said that the next tripartite meeting will discuss the core of the issue and step up to the exchange of views on the settlement of the issue.

*** High-Cost Economy Said To Hamper Exports**

94SE0107C Jakarta KOMPAS in Indonesian 8 Mar 94 pp 1, 13

A number of domestic factors have slowed the growth rate of Indonesian exports. Business circles warned the government of this far in advance, but the classic problems that have emerged in the form of a high-cost economy have not been corrected. The problems appear in various forms, including illegal fees and lack of transparency in government policies, such as in the setting of quotas on textiles and textile products.

These were the views of people in Jakarta whom KOMPAS contacted Monday, 7 March, to get reaction to the slow growth of Indonesian non-oil-and-gas exports, primarily textiles and textile products. Those contacted were Indonesian Textiles Association (API) Secretary-General Benny Soetrisno and API General Chairman Chamroel Djafri.

H. Mohamad "Bob" Hasan, general chairman of the Indonesian Forestry Community (MPI), who was interviewed Monday after a gathering for breaking the fast, also acknowledged a recent sluggishness on international markets. "I do not think we can avoid what is happening internationally. We cannot do very much now, because other countries are having problems," Bob Hasan explained.

Benny, who said he is "horrified" to see the declining competitiveness of Indonesian textiles and textile products on global markets, declared that all API directors have submitted to the authorities their analyses of the textile industry's future. Textiles are one of the four top exports.

During the term of the Fifth Development Cabinet, API representatives called on Minister of Industry Hartarto; Junior Minister of Industry Tunky Ariwibowo; Minister of Trade Arifin Siregar; Junior Minister of Trade Soedradjad Djiwandono; Bank Indonesia Governor Adrianus Mooy; Minister of Finance J.B. Sumarlin; Coordinating Minister for Economics, Finance, Industry, and Development Control Radius Prawiro; and Minister of State and State Secretary Mardiono.

"Those reports apparently did not get enough follow-up to reassure members of the textile industry. They hoped at least for measures to reduce loan interest rates more quickly, and improve the investment climate. The macro economy does not present a good picture, either. Meanwhile, foreign markets are more 'furious' in their competition, because they are supported by various monetary factors and a much better climate," Benny said.

Explain Again

In view of this still disadvantageous situation, API directors feel it is necessary to discuss further the problem with officials in the Sixth Development Cabinet. Their scientific explanations as well as concrete examples will at least illustrate how concerned industrialists are, which will also have an impact on national interests.

On that basis, then, the API submitted requests for direct dialogues with Coordinating Minister of Industry and Trade Hartarto; Coordinating Minister for Economics, Finance, and Development Control Saleh Afiff; Minister of Industry Tunky Ariwibowo; Minister of Trade S.B. Joedono; Minister of Finance Mar'ie Muhammad; Bank Indonesia Governor Soedradjad Djiwandono; Minister of State and State Secretary Mardiono; and SESDALOP-BANG [expansion not given] Tjuk Setyohadi.

Complete information has been presented to the officials, but it is not yet known what steps are to be taken to resolve the problem. Moreover, there was recent word that at a meeting on economics, finance, industry, trade and development control, the government acknowledged that exports of Indonesian manufactures have declined, rising only by 8.41 percent in 1993. From 1988 to 1992, however, national exports rose by an average of 15.8 percent.

"It is clear that we have made maximal efforts to defeat market competition. Competition is keen, however, primarily from new countries such as Vietnam, the PRC, and Turkey, which have unbeatable quality. They can sell at low prices, however, because their products are efficient. As for us, how can we be efficient? From

production to export, there are many outside costs that have to be paid," Benny said.

Ins and Outs of High Costs

The API secretary-general tried to describe frankly the ins and outs of the problem. Indonesia's competitors can sell at competitive prices because they are not excessively burdened by a high-cost economy.

For the national textile industry, however, there is a series of fees that must be paid—from getting permits for imported materials, importing them, processing them, to reexporting them. These include unofficial fees paid along the roads, which are quite large when all are totaled.

Receipts cannot be requested for any of these fees, because none of the high-cost economy in field operations is found in regulations. Automatically, then, no proof can be given of having paid such fees.

As a result, these various fees automatically go into computation of the production component without their being recorded in books for auditing by accountants, although the value of illegal fees are usually much larger than official ones—15 to 20 percent of production costs.

This increased expense is naturally incorporated into calculations of profit or other revenues, and the result is that they are taxable. From this aspect alone, it means that companies are hit twice. First, they are bashed by costs in the field, and, second, they have to pay taxes.

"With conditions like this, how can we compete? From every side, we are not competitive, although maximum efficiency goes into the commodities," the industrialist said.

Unfair Monetary Climate

Another thing that must be borne by industry, said Benny, is the upside-down thinking on strengthening the financial structure. In the monetary sector, an annual interest of 18 to 19 percent is imposed on working capital, whereas credit for housing incurs only 16 percent.

Moreover, credit for housing does not consider whether the credit is for luxury housing, where one person may own more than one house, or for simple housing. Besides, that sector generally spurs more inflation than the demands of working capital.

The blows do not end with the interest rate problem alone. Tax restitution for exports is not paid for months and represents dormant money that cannot be used. "Theoretically, according to regulations, restitution should be paid no later than one month after exporters complete all administrative procedures, but in reality the quickest time is six months," he said.

To resolve the restitution arrears, the director general for taxes finally sent instructions to all regional tax offices in

the provinces to convert restitution into bank guaranties. Nevertheless, in practice the implementation of the regulation is yet at a standstill. "Is it because commissions are too small, or are the exporters not prepared to complete all administrative matters?"

"Our question is, has the problem been touched by the deregulation measures the government has issued? If it has, why have conditions not changed? If not, why is the situation not corrected immediately? Thus, whatever the case may be, the basic issue in this decline is whether the bureaucrats seriously care about realities faced by members of industry. I think that is the key to being able to go through the 'needle's eye' in this export market struggle," Benny declared.

If there are indeed to be no changes, all parties must be willing to watch the decline of this "prima donna" of contributors to foreign exchange. This can be seen in the fact that the TPT [textiles and textile products] continue to grow in volume from year to year, while the value per kilogram declined in 1993.

"That is a fact. What is to be done now is up to the government. As far as efficiency is concerned, we have been working on that from the beginning. Whether conditions change or not, in principle we as industrialists will continue trying to ensure that 'our bowl of rice' is not broken or smashed," he said.

Quota Distribution System

Chamroel Djafri said that besides the external factors there are domestic factors that hinder TPT exports. They include, he said, high interest rates that burden exporters and export procedures that still do not move as smoothly as industrialists hope.

In addition, he said, the present system for distributing quotas does not support steady increases in textile exports. He gave an example in which an industrialist obtained a TPT export quota for 10 categories, whereas that industrialist did not produce as many as 10 categories.

He said, too, that besides the fact that the quota distribution system does not meet its targets, the system remains closed, despite the commotion that has long existed. Under the closed system, he said, an industrialist who is able to make exports cannot do so because he has no quota. Meanwhile, industrialists who receive quotas cannot fulfill their quotas. "Therefore, the quota distribution system should be reviewed and conducted transparently," he said.

Through the Association

In connection with eliminating inefficiency, Bob Hasan said that such improvement can be done only through association upgrading. The point is, the association understands its members and the problems they face.

Citing the case of plywood, Bob Hasan, who is also general chairman of the Indonesian Wood Panel Association (APKINDO), said that APKINDO members practically do not have a quota problem any longer. A joint promotion team, in cooperation with a price stabilization team, decides the distribution of quotas for each member.

The joint promotion team itself is formed on the basis of the export goals of each member. The company with the most exports to a specific country automatically becomes team chairman, while the position of deputy chairman is filled by the company with the second most exports to that country.

The joint promotion team then gets data on the capacities of each member. "Quotas for the members are decided based on that data. The results are then submitted to the Department of Trade, which is the authority for distributing quotas to APKINDO members," Bob Hasan explained.

According to the APKINDO general chairman, there has been practically no dissatisfaction or deviation with regard to quota distribution. "As general chairman, practically all I have to do is wait for reports. I intervene only if there is disagreement. In APKINDO, small companies do not have to be oppressed, for they get the first opportunity when there are additional quotas," Bob Hasan declared.

Laos

Prime Minister Receives Cambodian, Thai Visitors

BK1305013294 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 12 May 94

[Text] Today, His Excellency [H.E.] Nut Narang, acting minister of culture and fine arts of the Kingdom of Cambodia, and H.E. Asa Sarašin, president of the Thailand-Laos Association, and their parties respectively paid courtesy calls on H.E. Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], at the Prime Minister's Office.

During the separate calls by the two personalities, H.E. Khamtai Siphandon expressed his pleasure on the visits to Laos by the delegations. Highly assessing the visits, the LPDR prime minister said they contributed to further strengthening the existing spirit of cooperation between the two countries and Laos. He also pointed out that the Kingdom of Cambodia and the Kingdom of Thailand are close neighbors and share a common border spanning several hundred kilometers. Both countries have maintained good ties with Laos for a long time. The prime minister wished the two delegations brilliant successes in their visits to the LPDR.

Foreign Minister Returns Home from South Africa

*BK1305110394 Vientiane KPL in English 0940 GMT
13 May 94*

[Excerpt] Vientiane, May 13 (KPL)—Lao Foreign Minister Somsavat Lengsavat, on May 12, returned home from South Africa where he attended the ceremony of inauguration of the new South African President Nelson Mandela.

The attendance of the Lao foreign minister was a gesture of the Lao Government's support to the new sociopolitical change for national reconciliation in South Africa. [passage omitted]

Third LPRYU Congress Convened 13 May

*BK1305110094 Vientiane KPL in English 0928 GMT
13 May 94*

[Text] Vientiane, May 13 (KPL)—The third congress of the Lao People's Revolutionary Youth Union [LPRYU] opened this morning at the conference hall of the National Assembly's building. Attending the inaugural session were Mr. Khamtai Siphandon, president of the Lao People's Revolutionary Party Central Committee [LPRP CC], prime minister; Mr. Nouhak Phoumsavan, Politburo member of the LPRP CC, president of the republic; Maichantan Sengmani, LPRP CC's Politburo member, in charge of party-state control affairs; Thongsing Thammavong, LPRP CC's Politburo member, in charge of the organizational affairs of the party; Oudom Khatthi-gna, LPRP CC's Politburo member, in charge of the mass organisation affairs; and Mrs. Thongvin Phomvihan, member of the LPRP CC, first secretary of the LPRYU.

Presenting the political report on achievements in national building and defence contributed by the LPRYU since the previous congress was Mr. Khamman Sounvileut, second secretary of the LPRYU. He highlighted both the positive and negative sides of the involvement of the youth.

Mr. Khamtai Siphandon then gave the key-note address emphasising the role of the youth organization in allying members and non-members alike to support the tasks of socioeconomic development programs of the party-state in the framework of the renovation policy of the new era in the country while bearing in mind the sociopolitical development in the region and in other parts of the world.

The delegates to the the congress will, [words indistinct], exercise the principle of centralised democracy in studying and exchanging views on, among other documents, the political report, the address of the LPRP's president and the amended statute of the LPRP. The congress will study ways and means to improve future performance in accordance with the renovation policy

and the changing socioeconomic reality in the country. The delegates will also elect a new executive committee of the LPRYU.

Present at the congress are 247 delegates, of which 21 are women, 214 are members of the LPRP, 205 are Lao Loum [lowlands], six are Lao Soung [Hmong] and 36 are Lao Theung [upland] ethnic groups.

Third Youth Congress To Convene 13 May

*BK1305091894 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 13 May 94*

[Text] After making preparations for some time, the third nationwide congress of representatives of youths will be convened this morning at the National Assembly. The congress will be attended by 247 full delegates, including 21 women and 214 party members. The delegates are comprised of 205 Lao Loum, six Lao Soung, and 36 Lao Kang ethnic youths representing all ethnic youths throughout the country.

The congress will discuss political subjects on the basis of democratic development and initiatives and study a political report and speech by the chairman of the Central Committee, the new regulations, and other documents. The congress will strive to create a high sense of unanimity to elect a new executive committee [of the Federation of Lao People's Revolutionary Youth Unions] and outline a new method for carrying out activities so as to make youth organization conform to the restructuring line outlined by the party and the socioeconomic reality in our country.

Philippines

Ramos on Village Polls, Other Issues

*BK1205092794 Quezon City PTV-4 Television Network
in English 0657 GMT 11 May 94*

[Weekly news conference by President Fidel V. Ramos with domestic correspondents at Malacanang Palace in Manila—live; passages within slantlines in Tagalog]

[Text] [Press Secretary Jesus Sison] Hi, Mr. President. This afternoon, we have the officers of the National Press Club and the new officers of the Philippine Press Institute [PPI]. They will take their oath before you later after the press conference.

[Ramos] Good afternoon officials of the National Press Club. Would you rather have the press con [conference] first or would you rather have the induction and the inauguration ahead? [response from the correspondents] Press con /first/, so you are first and foremost journalist and reporters.

Yes, in connection with my directive to the acting secretary of the Department of Interior and Local Government yesterday to go as deeply and as comprehensively as possible into the killings arising out of the

/village/ elections. And when I wrote that directive yesterday, there were 26 that have been reported killed already including two Comelec [Commission on Elections] officials, and today the report is 30.

I wanted to make sure that these killings and its incident of violence would be thoroughly investigated so that we could get to the truth of the matter. And for the investigators, the police in collaboration with the Comelec, the DND [Department of National Defense], AFP [Armed Forces of the Philippines], and the Department of Justice and NBI [National Bureau of Investigation] would be able to build up its case that would lead to a successful prosecution and the conviction of the guilty as maybe warranted by the evidence.

I think it's about time that we reverse this culture of violence connected with elections. And that in our country as in any other democratic representative country, that people don't have to kill or get killed in order to succeed into a political office. We have many bitter lessons of the past which I suppose were part of our maturing into what we are now—a functioning democracy—based on people power, based on the decision of the majority of the electorate. And after many years of bloodletting, I think that situation should now be reversed, and present ourselves to the world as a mature, as a democratic, and as a peaceful society. And I would like to reiterate that message in the presence of the leaders of media who are here for a very special occasion. Okay?

[Sison] Questions? The members of the officers of the National Press Club and PPI may ask questions.
[Laughter from Ramos]

[Unidentified correspondent] Sir, good afternoon Sir.

[Ramos] Good afternoon.

[Unidentified correspondent] The NDF [National Democratic Front] has threatened to pull out from the peace process. Can we get your response about this, sir?

[Ramos] Well, so what's new? This isn't the first time they threatened to pull out of the peace process. But we have bent backwards to make sure that every opportunity is given to our long lost brothers and sisters who have (?thread) themselves out of the mainstream of our law-abiding society. And that opportunity is still there, the door is still open. And we are saying that many from the hills are taking advantage of our peace process and availing of our national reconciliation and development program so that they could again lead useful, productive, and join in the development of our country. [sentence as heard]

[Unidentified correspondent] Follow-up, sir. When will be the peace talks to resume between the MNLF [Moro National Liberation Front] and the government?

[Ramos] We are awaiting word from the Indonesian Government because during the month of April when the talks, the second round of talks were scheduled, we

were told that they had several state visitors. And that, maybe the month of May, or a little afterwards would be a better time. In any case, that is still very open.

[Unidentified correspondent] Mr. President, the new value-added tax [VAT] law removes the exemption previously granted to the book and newspaper publishing industry. Now, with the additional imposition of the 10 percent tax on the newspaper industry in particular would just cause many newspapers to go (?under), to close shop. Is it possible under the terms of the law to ...for the president to suspend the effectivity of this particular provision?

[Ramos] We are studying right now the implementation of the expanded VAT law precisely in regard to deferments in general because the original VAT and this amendment to the VAT in effect removed from our revenue books some 75 or 80 impositions. And so, if you take action on one side, there is a counteraction or a possible negative effect on the other. But I think you should be assured that this expanded VAT law was studied over a very long period, over several months in both chambers including in the two panels of the house and the Senate in the conference committee. And the president has no choice in that case except to approve or veto. This is not like the General Appropriations Act where the president can line veto certain items. So, all of this is still under close study in regard to the so-called deferments.

[Unidentified correspondent] Thank you, Mr. President.

[Ellen Tordesillas] Sir, this morning you met with the Papal Nuncio and I understand he delivered a letter from Pope John Paul II. May we know what was the message from the Pope?

[Ramos] Well, at the moment that is still confidential. But it is connected with our support for family planning, which was discussed in the preliminary meeting at the United Nations in New York, to which meeting we sent a delegation headed by Secretary Flavio.

On the other hand, the Papal Nuncio also came and I think this is the most important message for all Filipinos, to assure us that the Pope is coming in January 1995 as scheduled in spite of his injury from which he is now fast recovering according to Archbishop Morene, the Papal Nuncio. And I understand that from Archbishop Morene that the Pope is now back at work. So these are very reassuring words for all of us. In fact I have just received from the central committee of the Philippine Preparatory Commission of the Catholic Bishops that there is already out in circulation this brochure [brochure shown to media people] which says the Pope in Manila 1995, and it says here, the Pope is coming to Manila to see you, to see all of us.

[Ellen] Sir, is this letter express concern over the ...[pause] your government's population program? [sentence as heard]

[Ramos] No.

[Ellen] Sir, thank you.

[Correspondent identified only as Jake] Sir, just a follow-up question on the peace process. Attorney Veria, the spokesman of your party is seeking [changes thought] is recommending the release of Miss Tiamzon.

[Ramos] I think he was just expressing his opinion as a member of one of our peace panels. But, uh,...the PNP [Philippine National Police] should be given an opportunity to follow-up this case to its logical conclusion because after all we are merely following judicial processes under the rules of court.

[Jake] How do you find such opinion?

[Ramos] Pardon?

[Jake] How do you find the...do you think it's worth [question interrupted by Ramos]...?

[Ramos] As I said, that is his opinion, perhaps in his personal capacity as a member of one of the peace panels but not as a Lakas [Lakas ng Bansa—Power of the Nation] spokesman.

[Jake] Thank you, sir.

[Ramos] After all, as president, and as president of all Filipinos, I need not follow the party line. But that is not the party line, I assure you.

[Correspondent identified only as Bobby] Good afternoon, Mr. President.

[Ramos] Good afternoon.

[Bobby] Yesterday you issued a directive to Customs Commissioner Parayno to follow-up the investigation on a certain Michael Que who was name-dropping at the airport last Friday after bringing in 1 million pesos worth of watches. There have been similar cases in the past of people dropping your name or any other government officials. How would you deal with such people and the officials helping them?

[Ramos] Well, the policy is there that I will not allow any such poseurs or influence peddlers to be using my name or that of the first lady or even that of the rest of the first family. But I'm still awaiting the report of the customs commissioner on this because we don't really know the circumstances, so we've asked them to look at this matter.

[Bobby] What about the other cases in the past, sir, when there were some people dropping your name, particularly at the airport?

[Ramos] First, there were investigations that were conducted. In the case that I recall in which an influence peddler was trying to pose as a party leader using an old campaign calendar that we were circulating during the campaign period with my signature on it, he was upon

the investigation, found out to be using that for nefarious purposes. So the police took action.

[Bobby] Thank you, sir.

[Correspondent identified only as Mike] Good afternoon, Mr. President.

[Ramos] Good afternoon.

[Mike] How would you assess the ongoing peace initiative of government at this point in time?

[Ramos] We have taken a new initiative in the issuance of proclamation 347 and proclamation 348, which, as you already know were issued in late March, 25 March, to be submitted to Congress for ratification. And to their credit, Congress—both houses—are thoroughly engaged in consultations even in the countryside on the part of Senator Biazon to determine the people's reactions to these, including from among the possible beneficiaries. And we continue to work closely with those committees of Congress in order to maximize the chances of ratification. In general, that's the situation.

On the three fronts, the talks—whether formal on the part of the military rebels and regard to the MNLF [Moro National Liberation Front]—are continuing. Now, in regard to the CPP- NPA-NDF [Communist Party of the Philippines-New People's Army- National Democratic Front], we're still at the exploratory talks stage. But as I said we have kept the door open to give everybody the maximum opportunity to dialogue with the government.

[Mike] Sir, don't you think that the continued detention of Wilma Tiamzon will not hamper the peace initiative with the communist rebels?

[Ramos] Well, as I said, we must follow judicial processes. So, this states the government must hear to the law. The government must adhere to the judicial process that is there. After all, according to the police, there are existing warrants that must be served.

[Mike] Thank you, Sir.

[Correspondent identified only as Manny] Good afternoon, Mr. President.

[Ramos] Good afternoon.

[Manny] A top official of the House of Representatives said last week that the passage of the five landmark measures including the restructuring of the value-added tax would lead the freedom of this country from the influence of the IMF in three years time. Mr. President do you have, uh, do you agree with this assessment?

[Ramos] Well, there are still certain legislative actions to be taken. One of them is the proposed liberalization of the banking industry in the Philippines. This is one of the structural reforms that has to be put in place before we can really be considered by the international community as open, liberalized, and competitive with a level

playing field for the economy to flourish. But I would like to make clear again, because we discussed this during previous meetings, that what we are doing is not because of any IMF imposition. We are doing this because this is what we see as the right direction for the Philippine economy, for the political leadership to take.

You will recall that the VAT law, for instance, originated back from the President Cory Administration. And the real VAT law was initiated as early as the first session of the 8th Congress in 1987 that became a law in 1988. And the economic stabilization program, into which we are still up to now, was initiated also about three years ago during the Cory Administration. But we have to see through all of these steps. So that we become really an open economy, not inward and protected, and import-looking kind of an economy. Because obviously the answer to the expansion of our economy and the sustained prosperity of our people in the future is to be into the export mode.

The economy must be export-led and investment-led, and tourism-led, instead of us importing all the time goods from other countries. So, this entire program that we are into would lead to sustainable development. But we must finish all of the various components of the structure so that we will be on a sustainable mode, otherwise, we will have this cycle of boom and bust, or up and down, or advance and retreat, as we experienced during the past several decades. But now we have the opportunity to do it. That's why we are pushing, and pushing together with the leaders of Congress and the leaders of the private sector. So that what we have been aspiring for for many years will finally happen.

[Manny] On another subject Mr. President. The first quarter of this year has seen the rise in heinous crimes in the city of Manila, including murders and bank robberies. Would you favor Mr. President a more police visibility, like fielding more police foot patrols and conducting saturation drives in crime-ridden areas?

[Ramos] Well, the answer is really a much more comprehensive package of actions than just what you are suggesting, although that is part of it. We have thoroughly discussed this with the law enforcement authorities during our recent national summit on peace and order at Camp Crame. The formula really involves the five pillars of the so-called criminal justice system: the police, the prosecution, the judiciary, the corrections, meaning the penology and Bureau of Prisons people. And the fifth is the community—led by the governors and the mayors in their respective jurisdictions—plus, the very dedicated participation of the concerned citizenry. So that is what it will take. But in regard to the current situation, as I already reported here, we have asked the Department of Interior and Local Government, which has jurisdiction over the police and local government units to take the lead and to be more thorough and to be more dedicated in getting into the investigation of all of the /village/ election-related violence.

Well, that is also true for the thorough investigation of the recent killing of Major Zarcal, of the Philippine National Police. And we must get to the bottom of that, we must get to the truth of the matter because, after all, Zarcal is one of their own. And they are now challenged to come up with a solution of the case and the apprehension of the killers, and for those killers to be brought before the bar of justice. But as I said, the entire anti-crime and peace and order effort requires the interaction and close collaboration of all of these five pillars of our criminal justice system.

[Manny] Thank you, Mr. President.

[Correspondent identified only as Jun] Good afternoon, Mr. President. This is a follow-up question to that of Mr. Yambot on the recently approved expanded value added tax. This concerns Mr. President the economics of media especially the struggling community press.

For the first time, Mr. President in all these years, newspapers will be taxed for the first time and that the broadcast will be taxed for the second time. If you will allow me to trace, Mr. President, the history, until the third to the last regime, all newspapers and radio broadcasting stations were exempted from any tax. During the second to the last regime, the newspapers were left untaxed but the broadcasting stations were taxed. Now, Mr. President, I wonder if you will allow under your regime, both electronics and the print media to be taxed.

[Ramos] As I said, I did not pass those laws, and I do not have the power of sectional or partial veto on these laws. But I'll be happy to receive your position from the various sectors of media.

By the way, there is a very revealing feature story authored by Senator Herrera—the author on the part of the Senate—of this expanded VAT law which explains what this law is all about. And I would suggest, before we start getting too unhappy or demoralized, that we refer to study this. It's a primer really, where he explains the facts and the myths about the VAT law, and there are nine particular issues that he deals with very, very thoroughly, and very objectively in my view. And so I would suggest that that would be a good reading for all of you. But at the same time, as I said, I would welcome your suggestions and proposals because after all, what Congress has put in place, they can also amend. That's all there is to it. But the executive cannot do something beyond what is in the law.

[Jun] Mr. President, section 17 of the law provides, empowers the president to exclude some sectors.

[Ramos] That's what I said in answer to Danny Yambot here, and that's why I'm saying that we welcome your suggestions so that we can input whatever your opinions are. It will be studied that one maybe.

[Jun] Thank you, Mr. President.

[Ramos] Thank you.

[Correspondent identified only as Vivian] Sir, a while ago you mentioned the killing of Police Major Zarcal. The ABB [Alex Boncayao Brigade] said its objective is to make government look helpless and ineffective in the face of crime and corruption as evidenced by their assassination of Zarcal and their threats to kidnap some government officials and make them publicly confess their corruption. What can you say about this, sir?

[Ramos] You know, the police's progress reports indicate that it is not necessarily the ABB that did the killing. That is not yet a conclusion on the part of the police, they are looking at other angles. Now, as to the ABB making all of these threats, well again, this is not new. They have been making all kinds of threats in the past. And they have always wanted to disrupt our society and the well being and peace of mind of our people. But again as I said in my remarks in regard to fighting crime and fighting lawlessness in our society, we must continue to be united in our actions and in our vigilance so that we can finally project to the world and to our own people that ours is a peaceful and law-abiding society, and not otherwise.

[Unidentified correspondent] Good afternoon, Mr. President.

[Ramos] Good afternoon.

[Unidentified correspondent] Yesterday or the other day, the Miss Universe candidates came to see you and again in around town. The game around town Mr. President is picking out at least three to five winners. May we know your choice?

[Ramos] You know, in my welcome remarks to the Miss Universe delegates, they are called delegates not contestants, because they are considered as ambassadors of goodwill. I said that I have retired from beauty judging back in 1973 because in that one time that I was invited to be a judge to a Miss Philippines contest, our choice, Margie Moran became Miss Universe that same year. So, after that I retired already from beauty judging. I said because I have a 20/20 vision and a 1,000 percent batting average. So this time I pass, I pass.

[Unidentified correspondent] Good afternoon, Your Excellency. It seems that the Indonesians are unhappy over the reports that the Asia-Pacific Conference on East Timor is going to be held in Manila and there is a threat that the peace talks in Jakarta might be jeopardized. May we know your comment on this, Mr. President?

[Ramos] I would like you to know that there are certain things here that must be understood. Number one, we have been very concerned about this meeting which will be held in Manila. But this was upon the initiative of a private group over which the government has no control. And there have been consultations between the Philippine Government and the Indonesian Government at the highest levels. In fact, for your information, I tasked Vice President Estrada, who is now in South Africa to attend the inauguration of President Mandela, to confer

with Foreign Minister Ali Alatas of Indonesia about this matter, and for Vice President Estrada to explain to the foreign minister of Indonesia that while we are concerned about the possible effect on Philippine-Indonesian relations of the hosting by a private group in the Philippines of this meeting, that it would be unconstitutional on our part to prevent such a meeting from taking place in the Philippines.

Secondly, however, I asked the vice president also to convey to our Indonesian friends through Foreign Minister Alatas that we feel that the strength of Philippine-Indonesia bilateral relations, as well as our relations as member nations under the brotherhood of ASEAN, is strong enough to withstand any such irritations as this may cause.

Now, I would like to add to all of that. That the Philippines considers that East Timor is and remains a part of Indonesia as its 37th province. This is the position we took a long time ago. I also would like to take the opportunity to again express our appreciation for the full and unstated support that Indonesia has been giving to our peace process, which have been most helpful in putting together the MNLF [Moro National Liberation Front] under Chairman Misuari and our Republic of the Philippines panel under Chairman Ambassador Yan. And that we will continue to be committed to maintaining those deep and strong ties with Indonesia.

[Unidentified correspondent] Thank you, Mr. President.

[Ramos] Now, let me add that there is a newspaper report. I think in one of the radio and TV stations and then entered in one of the evening paper last night, that a certain Carlos Forte is inviting Jose Maria Sison to come to the Philippines to join in that conference. And according to this report, they are to undertake some kind of a revolution. Well, that is one thing that we will not allow in the Philippines. Certainly we will prevent any such happening in the Philippines, meaning, for the two of them to get together in the Philippines to plant a revolution. But in any case that report still has to be verified. But it did come across my desk this morning and so I'm making that comment in relation to your question.

[Unidentified correspondent] Thank you, Sir.

[Unidentified correspondent] /Good afternoon, beloved president/. Sir, you did a lot of good changes in the previous sad experience of our country. /Through this village election held in your administration,/ will there be really a change, especially in our electoral processes, that there will be no more vote buying which has happened this previous /village/ election which lots of people fear might happen during the upcoming election.

[Ramos] /That's what I've said just a while ago/ and I'm glad you asked this question because my answer a while ago was: I hope we change our political culture, of depending on the gun and together with that would be

goons and gold, because those are our perennial diseases in elections—guns, goons, and gold.

We have to reverse that culture because we are now supposed to be a mature and functioning democracy that was created out of people power during the EDSA [Epifanio de los Santos Avenue] revolution of February 1986. And the whole world has been admiring this Philippine style of democracy. But there are other aspects of it that we must correct and change, and this matter of the use of force and money and economic or political influence where they should not be applied should also be changed.

So, I'm hopeful that we improve step by step. I consider these /village/ elections to be an improvement in that direction towards change. But we must get away from this belief that it is going to be the strongman, the warlord, the guy with the most money that always wins elections in our society.

[Unidentified correspondent] Sir, I just want to get your reaction, I do not create factionalism in our profession. But there is this news that came out that there is this 100,000 pesos that Malacanang has distributed during this previous /village/ election which I really hate to hear because I know your administration, sir.

[Ramos] Thank you for again coming up with a question that has to be clarified. First of all, I deny any participation and I also deny for all of Malacanang. In regard to an alleged 100,000 pesos fund given to the congressmen, the congressmen have their own funds in the House of Representatives also appropriated by Congress. We are accountable for the funds that are appropriated for us. So, why should I risk the good name and the prestige of Malacanang by disbursing funds just like that, for an election where there is supposed to be no partisanship, no expenditure by anybody outside of the /village/, other than what the Comelec [Commission on Elections] has to spend for.

[Joel Paredes] Good afternoon, sir. Sir, will the border agreement with Malaysia by January 1995 affect the Philippines' claim to Sabah?

[Ramos] Will you say that question again please?

[Paredes] Sir, will the border agreement with Malaysia by January 1995 affect the Philippines' claim to Sabah?

[Ramos] The border patrol agreement is still really in the process of negotiation, but we hope it will be agreed to as soon as possible. But that is just a border agreement. It also includes a joint patrol agreement in order that smuggling, illegal entry, drug trafficking, the trafficking of guns as well as wanted persons will be better controlled by both parties. As I mentioned to you in a previous press con, and I think you are also the one that asked the question, and my answer is still the same. We have pushed the Sabah claim in the back burners so to speak. And we are dealing right now with immediate

problems of labor, illegal entry, border problems so that we can facilitate trade between our two countries especially at the border areas.

[Paredes] Sir, but will the Philippines still pursue its claim later, in the near future?

[Ramos] We have not abandoned the claim. But as I said, at the moment, we are attending to more pressing issues that will lead to the economic and social and political benefit of both countries.

[Unidentified correspondent] Good afternoon Mr. President and congratulations for your improved vision after that meeting with Miss Universe contestants. Anyway, Mr. President, in the presence of the gods of Philippine media, let me ask this question. Mr. President what is your perception or assessment of government and Philippine media relations, and your suggestions as to how this can be improved for the interest of the country, of course without waiving media's right, adversarial function as watchdog of Philippine society?

[Ramos] I think we are agreed that government relations with media and my own personal presidential relations with media are very good, but they could be better.

Did you not attend the gridiron put up by the National Press Club? As I said, we should have this gridiron once a month so that we will have a more frequent exposure to freedom of the press Ramos style. But levity aside, I welcome all of my encounters and opportunities to dialogue with media because that's the way government also has to operate. Government must be able to signal the correct messages to the public through media. And in this role, media to me is one of the most important pillars of our democracy, and one should not be isolated from the other. That's why I make it a point to always bring representatives of the Malacanang press corp as well as the gods of media with me when I make my trips; whether in country or abroad, even under water, they are invited to come with me.

[Unidentified correspondent] Thank you Mr. President and thank you for your donations to the National Press Club.

[Unidentified correspondent] My question Mr. President is of regional concern in Mindanao, because I come from Davao. On my way here last night, Father Barcelon who works in Cagayan says that there's a feeling that this East ASEAN thing, the growth polygon that's pushing in Mindanao which you have started going on is confined in Davao and that some regional centers there in Region IX and Region X feel that it's Davao getting all the action. And we noted that this month, we were told that you are going again to Davao three times, this month. And that might send wrong signal again to the other centers in Mindanao. What are really your plans Mr. President for Mindanao?

[Ramos] Well, I hope you do not see yourselves again in Mindanao as being a bunch of cities and provinces. We

are looking at Mindanao. We are looking at the southern Philippines in fact, and that includes Cebu now and parts of Palawan as within this East ASEAN growth area. But we have to start somewhere and we have to make sure that when we start this, that is going to be very viable and is going to take off and is going to spark into the other parts of Mindanao and also other parts of the Philippines.

So, (?Mr.) Fr. Barcelon, for your prestigious media network, that we are really looking first at the corridor between Davao and General Santos City. But that there is a flagship project in each of the five regions in Mindanao and that includes the ARMM [Autonomous Region for Muslim Mindanao] and the flagship project there is the completion, the concreting of the Marawi to Cotabato City highway, to which we have assigned elements of two engineering brigades of the Armed Forces of the Philippines. And there in Northern Mindanao we have the (PHIVIDE) [expansion unknown] Cagayan de Oro to Iligan corridor and this is already a well discussed development area for which we have already approved the master plan presented by the group chaired by Mayor Magtahas of Cagayan de Oro. And the opportunities for opening up that area are ongoing like the privatization of the National Steel Corporation in Iligan, concurrently with the studying of the proposals by the (PHIVIDE) and by the National Steel Corp. and the National Development Corporation of the integrated steel mill in Cagayan de Oro for which we have already reserved some 500 hectares within the (PHIVIDE) industrial state.

Of course, there are also plans for Zamboanga that is the western side of the E-A-G-A and there are already a lot of interaction taking place between the business groups as well as officials. And there are also plans for other key centers even if they are not regional centers.

[Ramos] So, I would hope that again, let us not let our envy overcome us because what is needed here is support, mutual support and synergy, what we are doing for Region X.

The power plants are there. On the part of the private sector, the (Tomin) series in Iligan, that's about 100 megawatts with an investment of \$100 million. And on the part of the government, Napocor [National Power Corporation], the 100-megawatt power barge in Nasipit, Agusan del Norte, Region X, but that serves all of Mindanao.

So, don't worry, it's coming. But it will come to you if you go for it. Instead of waiting for the ripe guavas to fall on top of our head, we have to go and grab the opportunities.

Now, one reason why I am going to Davao on three successive weekends is, first, I have not visited Davao Oriental. I have visited Cagayan de Oro and Misamis Oriental maybe four times since I became president, as well as other parts of Region X. I have not visited Davao del Sur, and I have not visited Davao del Norte, because

there is one for the three separate regions that I am going there. So, please don't be envious of that because I visit these places on a need basis.

Ramos Approves New Investment Incentive Policies

BK1305094594 Manila THE MANILA CHRONICLE in English 11 May 94 pp 1, 2

[Text] President Ramos yesterday approved in principle the adoption of new policies in the 1994 Investment Priorities Plan (IPP), among them the withdrawal of the income tax holiday for garment exports to quota countries and all expansion projects of domestic-oriented industries.

The IPP which lists the preferred areas of economic activity that will be promoted by the government this year, also adopted the following policies:

- Incentives shall be given only to importation of brand-new and unused equipment and spare parts.
- Capital equipment incentives shall be available for three years only from the date of project registration, but a six-year availment period shall be given for projects which take long to bear results.
- Projects of a firm producing the same products and locating outside the 50 kilometer radius of the firm's site may be registered as new.
- Expansion projects by firms which applied for registration as new export producers prior to 1 January 1989 and consequently registered will be exempted from the industrial location policy.
- New enterprises registered under the 1994 IPP shall be given five years to avail themselves of the exemption from wharfage dues and any export tax, duty impost and fees. Expansion projects, however, shall no longer be entitled to this incentive.

The 1994 IPP contains 59 preferred areas of activities, majority of which are carry overs from the 1993 IPP. Of these, 12 are new inclusions.

President Ramos also stressed the need to speed up passage of pending economic measures in Congress.

The president made the statement after Finance Secretary Roberto de Ocampo informed him International Monetary Fund (IMF) is expected to approve the government's Letter of Intent and the Memorandum of Economic Policy by end of June. Aside from the \$650 million in Extended Fund Facility to be released by the IMF to the Philippines in three tranches over three years, the program will also serve as the country's exit plan with the IMF.

The other vital economic measures still pending in Congress, the president said, include the bill liberalizing the entry of foreign banks, the investment incentives bill for the mining industry, the Magna Carta for Exporters, Education bill, Armed Forces modernization bill, Public

Works Act, and other bills contained in the Social Pact for Empowered Development (SPEED).

Ramos Opens Recording Industry to Foreign Investors

BK1305042694 Quezon City MALAYA in English 10 May 94 p 11

[Text] President Ramos has ordered that the recording business not be classified as part of mass media in order to open the industry to foreign investors.

"In furtherance of the policy to promote foreign investments pursuant to the 1991 Foreign Investments Act, this Office [Office of the President] hereby adopts the policy that the recording business shall not be considered as part of 'mass media' within the purview of the 1987 Constitution and, as such, shall not be included in the Foreign Investment Negative List A pursuant to the 1991 Foreign Investments Act," a memorandum issued by the president said.

The president also directed National Economic and Development Authority Director General Cielito Habito, [Department of] Trade and Industry [DTI] Secretary Rizalino Navarro, Securities and Exchange Commission (SEC) Chairman Rosario Lopez, and Board of Investments Managing Head and Undersecretary Tomas Alcantara to ensure the effective implementation of the policy.

President Ramos issued the policy upon the recommendation of Senior Deputy Executive Secretary Leonardo Quisumbing after studying a position paper submitted by Warner Music Philippines.

The position paper was opposing the opinion of the SEC that records and movie films are considered mass media and therefore, any entity engaged in the production or distribution thereof, is subject to the constitutional requirement that the ownership and management shall be limited to Filipinos.

In his meeting with representatives of the SEC, DTI and the Office of the President's legal office (OP-LO) last April 15, Quisumbing said the SEC representatives maintained their stand that the recording business forms part of "mass media."

The DTI and OPLO representatives, however, contended that the recording business should not be considered as part of "mass media" which traditionally refer to radio, television and print.

Quisumbing said all participants, noting President Ramos' call on the need for policies within the national programs to "open up" the economy and achieve the country's competitiveness, agreed that while the SEC actions can only be appealed to the Supreme Court, the president has authority to issue policies binding on the SEC, an agency under the administrative supervision of the Office of the President.

Government Signs Agreements with Marcos Loyalists

BK1305023694 Manila BUSINESS WORLD in English 10 May 94 p 8

[By Sandra S. Aguinaldo]

[Text] Talks with another rightist group, the Kawal ng Sambayanang Pilipino [Soldiers of the Filipino People] (KSP), are progressing smoothly in contrast to the talks with the Rebolusyonaryong Alyansang Makabansa [Nationalist Revolutionary Alliance] (RAM).

Professor Alfredo Tadiar, government panel chairman, also said government and the military soldiers known to be loyal to former President Marcos have signed three drafts over the weekend.

Meanwhile, all his panel and the RAM have done is exchange position papers, he added.

According to a source close to the government panel, the KSP's advantage lies in its small membership. "Being a smaller group, it is easier for them to come into position and express what they want during discussions," he said.

The KSP, led by Brig. Gen. Jose Maria Zumel, signed with Mr. Tadiar's panel drafts on reform in administration of justice, reform in the Armed Forces of the Philippines and the Philippine National Police (PNP) and government reforms.

Mr. Tadiar said that unlike with the RAM, his panel only has a few issues to settle with the KSP. Although there are similarities in their talking points, many issues have been set aside by the group in order to give way to more substantial issues, he said.

Meanwhile, government is not making much progress with RAM panel led by Brig. Gen. Edgardo Abenina.

A government negotiator who requested anonymity said all efforts have to be exerted in order to leach RAM's working committee members.

He also admitted that aside from exchanging position papers, nothing else has been achieved with the military reform group.

At present, a meeting is being scheduled to discuss electoral reforms proposed by the RAM. The government panel already has a response to the group's proposals, he said, but could not arrange for a meeting. He also said the RAM has yet to submit their formal objection to the government's attrition policy.

On a less brighter note, talks between government and the National Democratic Front (NDF) are in peril after the Philippine National Police refused to release captured communist Secretary General Wilma Tiamzon and four others even as charges filed against them have been dismissed.

In a faxed statement, Luis Jalandoni, NDF vice chairperson for international affairs and representative to the talks, threatened to back out of talks if government "will not respect the rights of communist Secretary General Wilma Tiamzon."

"The NDF will officially disengage from talks with the Philippine Government and cut off communications with government panel headed by Mr. Howard Dee, should the rights of Tiamzon and her companions not be respected by the Ramos regime," Mr. Jalandoni said.

Ms. Tiamzon, third in the Communist Party of the Philippines (CPP) hierarchy, was arrested by police authorities last week with three other ranking communist leaders and one active member.

The PNP Intelligence Command said Ms. Tiamzon has a standing warrant of arrest for two counts of kidnapping with serious illegal detention.

The group was also charged with illegal possession of ammunition and violation of election gun ban which were dismissed by a Bulacan prosecutor.

The NDF demanded the communist leaders be released immediately in order that the moribund process be saved.

According to Chief Superintendent Jewel Canson, the arrest of Ms. Tiamzon and company should hasten the resumption of the stalled talks with the Left.

Government panel chairman Howard Dee also said that with the arrest, government and the NDF have all the reasons to sit at the negotiating table.

But Mr. Jalandoni said the arrest will not in anyway enhance the chances for peace. He also called for the immediate release of Ms. Tiamzon and objected to government's plans of filing additional charges against her based on offenses allegedly committed during the past.

Police Urge Caution for Communist Hit-List Targets

BK1305045494 Quezon City MALAYA in English 10 May 94 pp 1, 3

[Text] All persons who appear in the Alex Boncayao Brigade [ABB] hit list, including eight generals and government officials, had better watch closely their backs.

Director Agerico Kagaoan, PNP [Philippine National Police] operations director, said the communist urban terrorist group is "very active" and determined to pursue its "mission" to liquidate people it perceives to have committed "crimes against people."

Last Saturday, gunmen killed dismissed Chief Inspector Timoteo Zarcal in front of his residence in Felix Huer-tas, Sta. [Santa—Holy] Cruz, Manila.

Hours later, the ABB through Felimon Lagman, chief of the Manila-Rizal Party Committee, a breakaway faction from the Communist Party of the Philippines, admitted responsibility.

Zarcal was ninth on the ABB hit list.

Despite the ABB admission, Kagaoan said probers have not counted out other suspects.

Chief Inspector Jose Pring said Sunday Zarcal could have been killed by his detractors who were only using the ABB to mislead investigators.

Pring and Zarcal were arrested last year at the house of Vice President Joseph Estrada on charges of kidnapping Chinese-Filipinos.

Though acquitted last month by a Pasig court, they were included in the ABB hit list released last 16 January.

Also on the list are 98 police and military personnel and at least 170 government officials and several civilians, including movie personalities, businessmen, and suspected drug lords for liquidation.

The police officers include former PNP Director General Cesar Nazareno; Director Vicente Vinarao, chief of the National Penitentiary; Director Manuel Roxas, Bureau of Immigration and Deportation commissioner; PNP Deputy Director General Gerry Flores; Chief Superintendent Dictador Alqueza, former Regional Command 11 director; Director Marino Filart, former Capcom [Capital Command] chief; Maj. Gen. (ret.) Ramon Montano, presidential consultant for police affairs; Chief Supt. (ret.) Ernesto Diokno, former WPDC [Western Police District Command] chief.

The list also includes Speaker Jose de Venecia, former Councilor and cager Abe King, and movie producer Cheng Muhlach.

The ABB said the personalities were involved in graft and corruption, drug pushing, prostitution, and kidnap-for-ransom cases.

Last month, suspected ABB members gunned down Isidro Florentino, father of Allan Florentino, a suspect in the rape-slay of Rosielyn Federico, a fastfood employee.

Muslim Groups Form Negotiating Alliance

BK1305071594 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 13 May 94

[Text] The Muslim position is expected to be further strengthened in the ongoing peace talks with the government. This expectation is anchored on the talks held for the first time by the Moro National Liberation Front [MNLF] and the Moro Islamic Liberation Front on 7 May in Cotabato City.

MNLF spokesman Zain Jali said that the talks addressed the formation of an alliance between the two groups to adopt a unified position in the peace talks with the

government. The two Muslim groups seek autonomy for 13 provinces and four cities in Mindanao.

Government Borrowing Reaches 661 Billion Pesos

BK1305035694 Manila THE MANILA CHRONICLE in English 10 May 94 p 10

[By Leticia P. Perez]

[Text] Borrowings in the form of securities issued by the national government, its agencies and corporations reached P661.32 billion [Philippine pesos] as of end-March this year, a 0.92 percent increase from the previous year's level.

The Bangko Sentral ng Pilipinas [Central Bank of the Philippines] (BSP) in a statement indicated that the government is now paying more for its borrowings with a weighted interest rate of 15.419 percent vis a vis 14.988 percent a quarter ago.

The national government was a heavy borrower, issuing P661.32 billion securities out of the total outstanding securities. Government corporations issued P2.24 billion while the BSP, P22.23 billion.

In the first quarter of this year alone, gross issuances amounted to P335.66 billion. This was actually down by P0.6 billion or 0.18 percent from quarter-ago sales. Redemption of matured sales totalled P329.64 billion.

The BSP said net sales from the issuances dropped by 95.47 percent from P132.94 billion recorded in the preceding quarter to P6.02 billion.

"The national government remained the top issuer accounting for P330.16 billion or 98.36 percent, followed by Bangko Sentral ng Pilipinas with P5.50 billion or 1.64 percent. There were no flotations by government corporations during the quarter, BSP said.

The auction sale of T-bills [Treasury bills] amounted to P192.69 billion while that of the special GOCC [government owned or controlled corporation] services sold over the counter summed up to P32.15 billion, the BSP said.

The BSP series worth P176 billion which matured in March was rolled over by an equivalent amount, the BSP said.

The BSP said the composite weighted average yield rate on auctioned bills dropped to 15.46 percent or 12.9 basis points lower than previous quarter's 15.59 percent.

Three series of 3-year Floating Rate Treasury Notes (FRTNs) worth P16.04 billion were sold through auction bringing outstanding FRTNs to P112.35 billion out of an aggregate authorized flotation ceiling of P135 billion, the BSP said.

Outstanding BSP issues receded to P22.23 billion down by 23.42 percent a quarter ago as a result of net redemptions of P6.80 billion. Only P5.51 billion were issued/rolled-over against maturities of P12.31 billion.

Taxes paid to the Bureau of Internal Revenue during the first quarter amounted to P2.27 billion or an increase of P0.75 billion over previous quarter's P1.52 billion.

Deputy Reviews Obstacles for Financial Markets

BK1305030794 Manila BUSINESS WORLD in English 10 May 94 pp 9, 11

[By Wilfredo G. Reyes]

[Text] The full development of the country's financial markets continue to be stunted by various economic, financial and structural barriers, hence our underdevelopment as compared with our neighbors in this regard.

In a recent speech before the Foreign Exchange Association of the Philippines, Negros Oriental Rep. Margarito Teves (3d District) lamented the existence of seven major obstacles to this growth namely:

- The huge old Central Bank deficit, amounting to some P [Philippine pesos] 320 billion, "which burdened the entire financial system for a long time;"
- The consolidated public sector deficit, tagged at P20.7 billion last year and targeted at 27.7 billion this year, "financed largely through domestic borrowing which crowded out private investments;"
- The close-knit family structure of many companies which does not encourage sourcing of funds through public offering;
- The prolonged existence of two exchanges wherein they used different prices on the same issue, with the effect that investors were not able to enjoy the best price;
- The restrictive financial policies as evidenced by previously stringent foreign exchange regulations and bank branching rules;
- Poor market information on the availability, risk and yield of alternative assets which is a major cause of the observed segmentation of the financial market that includes the presence of a sizable informal sector; and
- The absence of an institution, separate from the Bangko Sentral ng Pilipinas [Central Bank of the Philippines] (BSP) and the Securities and Exchange Commission (SEC), which will exclusively address the development of capital markets.

Mr. Teves lamented further the underdevelopment of these markets is emphasized more when compared with their counterparts among Association of Southeast Asian Nations (ASEAN) member states, saying: "Compared to our ASEAN neighbors, our financial markets, especially the capital market, are still relatively underdeveloped (while) ASEAN financial markets have been growing by leaps and bounds."

First, the ratio of domestic liquidity (M3) to gross domestic product (GDP) in the country stood at only 34.4 percent in 1990, as compared with 74.6 percent in Thailand, 68.2 percent in Malaysia and 35.2 percent in Indonesia during the same period.

"This low M3 to GDP ratio implies that the range of our financial instruments is still limited," Mr. Teves observed.

"There is an absence of variety of alternative debt and equity instruments, while incentives to savings is unattractive and inadequate," he added.

"Credit allocation is distorted and there is a sizable informal sector, particularly the 5/6 type of lenders, which serves the financing requirements of investors."

Second, although the Philippines has the oldest stock exchange in Asia, its performance in terms of the number of listed participants (183 as compared with 300 each in the relatively young markets of Malaysia and Thailand last December) and of stock market capitalization (which stood at 15.1 percent, of GDP as of 1990, compared with 105.9 percent for Malaysia and 29.5 percent for Thailand for the same period) has left much to be desired.

Finally, the level of credit to the private sector as a percent of GDP in the Philippines stood at only 19.4 percent in 1990, compared with 68.7 percent in Thailand, 67.9 percent in Malaysia and 35.9 percent in Indonesia during the same year.

"The low ratio of credit to private sector to GDP in the Philippines is an indication of the crowding out of private investors due to large government participation in the bonds market," Mr. Teves observed.

"As of 1992, the outstanding issuances of National Government had reached P445 billion," he added.

"More than half of these government securities issued were in the form of high-yielding short-term Treasury bill."

These problems notwithstanding, Mr. Teves lauded government's recent moves to rectify the current situation, particularly through six measures, namely:

- The creation of the BSP and the consequent rehabilitation of the old Central Bank which is expected to reduce the burden on the financial system, especially on banks, in the form of a reduced reserve requirement;
- The creation of the Philippine Stock Exchange which introduced a one-price system, thus resolving the issue of inefficient pricing that existed during the time when there were two separate exchanges offering the same products at different prices;
- The liberalization of foreign exchange regulations which has facilitated the entry of foreign investments and the repatriation of earnings and capital;
- The liberalization of the banking sector which

includes the removal of the policy of auctioning branches;

- The utilization of the stock market as a vehicle for privatizing government-owned and-controlled corporations; and
- The improvement in the SEC's policy and regulation regarding pricing, insider trading and disclosure of information.

Still, there are three indispensable, fundamental conditions for the unimpeded growth of the financial sector which the country has yet to see, namely:

- A stable macro economic environment that encourages wealth holders to maintain their savings in financial instruments and with financial institutions, as opposed to such non-liquid assets as land and jewelry;
- An effective prudential regulatory environment that will encourage safe and sound financial practices to prevent too frequent bank failures and the collapse of financial institutions, which cause a setback in public confidence in the financial system; and
- The regulatory environment should balance prudential regulation with providing enough flexibility so that financial innovation is not stymied and financial players are able to provide creative solutions to various needs in the market.

Thailand

Press Coverage on Debate Related to Amity Treaty

U.S. Must Understand Loss of Treaty Favors

BK1205152994 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 12 May 94

[Text] Deputy Prime Minister Suphachai Phanitchaphak said views from other ministries such as the Commerce Ministry are needed to decide on curbs to privileges granted to the United States. This will be based on conditions ratified under the GATT agreements which stipulate equal treatment for all countries that are members of the World Trade Organization. He said that governments in the past have solved the problem through the liberalization of various kinds of businesses.

[Begin Suphachai recording] It is our intention. The removal of clauses under the Amity Treaty from the National Executive Council Announcement No 281 is due to the fact under Announcement No 281, we have to treat every country equally. This is because of the agreements of the World Trade Organization, as we are a member of the organization, and so is the United States. The United States must understand this very well, and there should not be any problem. As for the next step, we will have to clarify with the United States that in future, it won't be the only country that enjoys all those special privileges. [End recording]

Review of 1966 Amity Treaty Sought

BK1305041994 Bangkok BANGKOK POST in English
13 May 94 p 28

[Text] Deputy Prime Minister Suphachai Phanitchaphak said yesterday Thailand should consider sector-by-sector whether to withdraw or retain rights reserved especially for Americans to engage in services and professions normally reserved for Thais.

His comment confirms the gathering momentum at the highest levels of government to review the 1966 Thai-US Amity Treaty which exempts Americans from a number of activities normally restricted under the Alien Business Law.

The move would be part of Thailand's preparation to undertake commitments under the new General Agreement on Trade in Services (GATS) due to take effect early next year.

GATS outlaws discrimination between trading partners in service industries. The European Union, Japan, Australia and other industrial countries have been urging Thailand to provide them with the same rights Americans enjoy under the Thai-US treaty.

Thai officials are only now starting to consider which services should be opened to other nationals and which should continue to be reserved for Thais.

Under GATS, the restricted service sectors would also have to be closed to Americans, but Washington is lobbying to keep them open.

Dr Suphachai said the treaty has been in effect for a long time. Considering current conditions, it may be obsolete. Therefore, the country should review whether it will continue to grant privileges to each sector of the service industry.

Paramount to considerations is whether any decision would affect national security or contravene Thai traditions.

The Thai Foreign Affairs Ministry suggested that the treaty not be amended; however, Dr Suphachai said more debate among other government agencies, particularly the Commerce Ministry, should be entertained.

Commerce Minister Uthai Phimchaichon said earlier that Thailand should amend the treaty to comply with the GATS rules.

Dr Suphachai said the country had approved the amendment of the Announcement of the National Executive Council No. 281, commonly known as the Alien Business Law, which refers to freer foreign investment in the same line with "national treatment" (that is, treating others as if they were Thai nationals. He maintained such rights are already granted to U.S. citizens.

The government is planning to liberalize foreign investment, particularly in the automobile industry, said Dr Suphachai.

Asked whether a law passed by the parliament should supersede a treaty, Dr Suphachai said that normally a treaty should supersede any law. However, specific laws may present conflicts which should be carefully reviewed.

Reportage on Reactions to U.S. Drug Probe Continues**Official Response to Thanong Case Viewed**

BK1305045994 Bangkok THE NATION in English 13
May 94 p A6

[From the "Thai Talk" column by Suthichai Yun: "Trafficking in Drugs and Uttering Lies"]

[Text] The Chuan administration has produced another "first" in the country's political annals: This government has turned an international drug trafficking case into a partisan incident.

For some bizarre reason, the prime minister, who, under normal circumstances, would be considered the nation's top law-enforcement official, has decided to adopt a "hands-off" policy in the scandal involving 45 tonnes of Thai marijuana shipped from either Thailand or nearby countries to the United States between 1973 and 1987 allegedly involving an opposition lawmaker from Nakhon Panom province.

Strange, incredible and incoherent statements were made by all concerned from the very first day this story broke into the open here about two weeks ago. Nobody should have been taken aback of course when MP Thanong Siriprichaphong denied it all. That he backtracked somewhat to admit some of the claims made by the U.S. Information Service was only to be expected.

It should have come as no surprise, either, that some of the leading members of Chat Thai Party came out vehemently to raise the specter of a concerted conspiracy to discredit the major opposition party. And the allegation may well be valid to a certain extent. If the timing of the "leak" was suspect, the drug-trafficking episode was a clear case of violation of the law—American and Thai.

But the government has mishandled the scandal from the outset. The USIS statement made it very clear that the first official word of the indictment against this group of Thais was relayed to the Thai government in January, 1993. Fifteen months later, Government House, the Foreign Ministry and the Office of Narcotics Control Board said they had no clues about the case at all. Suddenly, the government itself was trapped by its attempt to detach itself from a potentially sensitive issue. Prime Minister Chuan Likphai's initial reaction to reporters' questions was one of typical caution and

detachment. It was him all over again, warning against rushing to conclusions and allowing the accused to state his case.

Likewise, Thai police were tongue-tied. The Foreign Ministry, presumably the only official channel through which the U.S. Embassy had informed the Thai government about the indictment, failed miserably to explain why it had kept quiet for so long. The country's top drug enforcement agency under the jurisdiction of the Prime Minister's Office, was caught off-guard, mumbling something bordering on disbelief. Its earlier claims about close contacts with Washington's DEA in cracking down on drug traffickers suddenly faded into oblivion.

While Thanong put on his flip-flop show, his Chat Thai Party went through its defensive motion. Banhan Sinlapa-acha, the new party boss, has every reason to believe that the whole exercise was part of a well-orchestrated conspiracy against his political career path. The leak came on the eve of his being elevated to the post as party leader—one year and four months after the Thai Foreign Ministry was supposed to have been tipped about the court case in San Francisco.

That was probably why Premier Chuan quickly turned the case into Chat Thai's very own in-house hot potato instead of demanding a full-fledged investigation into DEA's claim, whether or not the key suspect was a prominent politician in the opposition camp. One wonders whether the government would have treated this case with the same nonchalance had the same charge been slapped on a lawmaker on the side of the government.

The House of Representatives may have named a committee to look into the charges. The Chat Thai Party, too, has set up its own probe team, ostensibly to demonstrate its seriousness in salvaging its reputation.

But the government has yet to come up with any convincing move to underscore the fact that drug trafficking allegations are far from a partisan issue best left to political parties concerned. It's a national problem which affects the overall social and economic fabric—and the government's political credibility in living up to its platform to crack down hard on drugs and illicit drugs.

Prime Minister Chuan will have to get his people to answer some of the obvious questions which have been raised in this connection:

1. The DEA said it had submitted a official letter on Thanong's case in January, 1993. Who in which government agency was the recipient of the document? Why has the report been kept under wraps all along? Why weren't the prime minister, the foreign minister, the interior minister and the anti-narcotics agency informed about the request?

2. If the relevant agencies were in fact informed about the case, why did they insist, on the day the story broke, that they were not aware of the incident? If they, in fact,

had been told about the story but were not ready to give out the truth to the public, were they therefore lying to the people? Who were they trying to protect? What has happened to accountability of public servants in this country?

3. Do the law-enforcement agencies plan to take their own action, under Thai laws, against those accused by the American authorities? Are we, members of the Thai public, being told to believe that the various shipments of marijuana destined for the United States were in no way related to Thailand—and that they did not constitute offenses under the Thai laws at all?

4. Does the five-party coalition government stand ready to be accused of politicizing the scandal to save itself from a no-confidence motion—and, in the process, undermining Chat Thai leader Banhan's attempts to grill the government?

In other words, can the government get away with its apparent inefficiency and obvious lack of accountability while the opposition tries to can this kettle of fish? The answer, plain and simple, is no.

Chuan Rules Out Extradition of Thanong to U.S.

BK1305024394 Bangkok *THE NATION* in English 13 May 94 pp A1, A3

[Text] Prime Minister Chuan Likphai yesterday ruled out the extradition of Thanong Siriprichaphong to the United States, where he is wanted on drugs charges.

Chuan said the police or the Office of the Narcotics Control Board (ONCB) can take legal action against the Chat Thai MP in Thailand if they have sufficient evidence from the United States.

Chuan insisted that any action against Thanong, who has been accused by the U.S. of conspiring to smuggle more than 45 tones of marijuana into the United States, should be in a Thai court rather than overseas.

A U.S. indictment, revealed on Tuesday, charges Thanong with smuggling, conspiracy and operating a continuing criminal enterprise between 1973 and 1987.

The U.S. Justice Department announced early this week that it will seek Thanong's extradition under a treaty with Thailand. But Thai officials insisted the treaty did not oblige extradition of Thais to the U.S. and vice versa.

"If police or the Office of Narcotics Control Board (ONCB) have enough evidence, they can take legal action against Thanong," Chuan said. "They can request evidence from the U.S."

Chuan said investigators must have sufficient evidence before taking criminal cases into court.

"The government's duty is to ensure justice prevails in our society. Any allegations against Thais should be tried in a Thai court," he said.

The government was also willing to comply with a Chat Thai request to provide a party fact-finding committee with all information relating to the charges against Thanong.

Other senior government MPs yesterday were also insisting that any action against Thanong should be in Thailand.

Government spokesman Aphisit Wetchachiwa said: "We will never send Thai people to stand trial in a foreign country. We will take legal action against a culprit according to evidence we have and under Thai law."

He said the Foreign Ministry was in contact with the U.S. authorities and was seeking more details of the evidence against Thanong.

Aphisit believed Chat Thai's fact-finding committee would be neutral and take action against Thanong according to the evidence placed before it.

Deputy Prime Minister Amnuai Wirawan, who oversees the ONCB, said the agency had a policy of cooperating fully with the U.S. in tracking down drug trafficking activities. It would not protect Thanong if there was evidence against him.

Amnuai would not commit himself on the issue of Thanong's extradition to the U.S. but said Thailand had a discretionary right to prosecute its own citizens.

Interior Minister Chawalit Yongchaiyut said Thanong would be immediately prosecuted in Thailand if police had sufficient evidence.

"Police are waiting for more evidence from the U.S.

"If they get enough evidence to substantiate the charges against Thanong, the prosecution will proceed," he said.

Parliament President Marut Bunnak said that in practice Thailand would not allow the extradition of its citizens to stand trial in a foreign country.

The U.S. Embassy, meanwhile, has offered to help make possible a visit to the United States by Thanong.

The embassy also announced that it "is working closely with the (Thai) Ministry of Foreign Affairs on the issue, and is providing a complete text of the indictment to the ministry".

Thanong has denied the U.S. charges and announced his willingness to travel to the US, if necessary, to defend himself.

Foreign Minister Meets UK's Major, Douglas Hurd

BK1205143394 Bangkok Voice of Free Asia in Thai 1030 GMT 12 May 94

[Text] According to a Foreign Ministry report, at 1230 yesterday Foreign Minister Squadron Leader Prasong

Sunsiri, who is on an official visit to the UK at the invitation of his UK counterpart Douglas Hurd, and his party paid a courtesy call on British Prime Minister John Major. The meeting was cordial and proceeded in friendly atmosphere based on the long-standing good relations between the two countries. They exchanged views on issues of mutual interest, particularly bilateral trade and investment which has expanded a great deal in the past year and its great potential.

The British prime minister stressed the interest and importance the UK gives to the nations in Asia and the Pacific, a region with high economic growth, particularly Thailand. He pledged to encourage UK businessmen to do more business in Thailand.

As the Thai foreign minister is the current chairman of the ASEAN Standing Committee, the UK prime minister felt that cooperation between ASEAN and the EU could be closer. The two sides also discussed antinarcotics cooperation as the narcotics problem in the UK has become more acute. They expressed satisfaction with their existing cooperation in education, training, and information and equipment exchanges. They also discussed regional security issues, including the Cambodian problem and hope the Cambodian factions would be able to resolve their problem in the interest of peace and stability in that country.

The fact that the UK has arranged a meeting between the foreign minister and its prime minister demonstrates the UK's awareness of Thailand's role and importance in the Asia-Pacific political arena.

After the meeting with the UK prime minister, Prasong, the Thai Foreign Ministry permanent secretary, and other Foreign Ministry officials had a meeting with senior UK Foreign Office officials. In attendance was also a group of UK parliamentarians and businessmen.

Later, the foreign minister also granted an interview to the BBC on topics such as ties between Thai and post-election South Africa, the Cambodian problem, and Burma's attendance at the ASEAN ministerial meeting. After the interview, the foreign minister attended a dinner hosted by the UK foreign minister at his office.

PRC Firms Punished for Circumventing U.S. Quotas

BK1205141194 Bangkok PRACHACHAT THURAKIT in Thai 12-14 May 94 p 6

[Text] A source at the Export Promotion Department told PRACHACHAT THURAKIT that the PRC Government has taken action to punish Chinese textile and garment factories which made a false declaration concerning country of origin of their products in order to circumvent U.S. quotas for textile and garment imports. According to the latest report sent to the department, one of the four penalized companies used Thailand for its false declaration of the country of origin of the products.

A report was sent to the Export Promotion Department by Kunyaphan Raengkham, director of the Thai Trade Center in Los Angeles. It details penalties meted out to four Chinese manufacturers and exporters which falsified the country of origin by labelling the products as goods made in Fiji and Thailand. The four Chinese companies penalized are: the Shakou Branch Company of Dongmao Industries in Shenyang, the Guangyu Xiamen Company in Fujian, the Shifa Garment Company in Canton, and the Yongjia Garment Company in Canton.

Chinese authorities indicated that the Shakou Company had contracts with a company in Hong Kong to sell blue jeans to Singapore under the false label 'Made in Fiji.' From Singapore, the products were shipped to the United States. The Guangyu Xiamen Company was arrested by Chinese Customs authorities for attempting to smuggle out towels for export to the United States, with the towels bearing a 'Made in Thailand' label.

The Guangyu Xiamen Company was fined by the Chinese Government at 20 percent of the total cost of exports, and its export permission was suspended for two years. As for the Shakou Company, the Chinese authorities seized all its profits and banned exports by the company until 1995. This was the fourth time in April that Chinese authorities took action against companies for falsifying the declaration of the country of origin on their products in order to smuggle goods to the United States.

The Chinese Government arrests and fines such Chinese garment factories for circumventing U.S. import quotas under direct pressure from the U.S. Government. The United States estimates that losses caused by smuggling of textile and garment exports from China through false declaration of the country of origin amounts to U.S. \$2,000 billion annually.

Troops Stop 100 Cambodian Refugees at Border

*BK1205042894 Bangkok BANGKOK POST in English
12 May 94 p 6*

[Text] Aranyaprathet—Thai troops stopped about 100 terrified Cambodian civilians from crossing the Thai-Cambodian border on Tuesday.

The Khmers were seeking temporary refuge in Thailand due to fighting in Cambodia between government troops and Khmer Rouge guerrillas.

At least two Cambodian civilians were injured when four mortar shells, fired by the guerrillas, landed about one kilometer from a market in Poipet border town.

The fighting prompted some 100 Cambodians to attempt to cross Mahot canal which demarcates the border. However, they were stopped by troops from the Burapha Task Force.

Vietnam

U.S. War Veterans Go to Hanoi on MIA Issue

*BK1305105494 Hanoi Voice of Vietnam in English
1000 GMT 13 May 94*

[Text] A delegation of U.S.-Vietnam war veterans leaves for Hanoi this weekend on a trip designed to help account for missing servicemen from both sides of the war. The Americans will hand over maps, snapshots, identity cards, and other battlefield souvenirs that they hope will help to trace some of more than 300,000 Vietnamese who went missing in action.

The items were collected from U.S. veterans and are to be presented by a 16-member delegation. The Vietnamese veterans of America believe that if initiative can make a significant contribution to the 20-year effort, they make accounting for 2,234 American POW-MIA [Prisoners of War-Missing in Action] and Vietnam's 300,000 missing.

Prime Minister Continues Visit in Rangoon

Meets Burmese Leaders

*BK1205145894 Hanoi VNA in English 1429 GMT 12
May 94*

[Text] Hanoi VNA May 12—Prime Minister Vo Van Kiet received in Yangon [Rangoon] today Lieut. Gen. K. Nyunt, first secretary of the Myanmar's [Burma] State Law and Order Restoration Council and Lieut. Gen. Tin Tun, deputy prime minister of Myanmar, who paid him a courtesy visit.

Also present at the reception were Vietnamese Foreign Minister Nguyen Manh Cam, Lieut. Gen. Nguyen Thoi Bung and Ambassador to Myanmar Tran Viet Tan.

P.M. Kiet, Lieut. Gen. Nyunt and Lieut. Gen. Tin Tun frankly discussed issues of common concern and measures to enhance the relations of friendship and cooperation between the two peoples in many fields for each country's prosperity and in conformity with the trend for peace, stability, cooperation and development in the region.

Prime Minister Vo Van Kiet, his wife and his entourage visited Shwedagon Pagoda (the Gold Pagoda), a typical cultural and architectural project built in Yangon 2580 years ago.

Yesterday, the Vietnam prime minister visited a precious gemstone enterprise. He expressed his hope that Myanmar would share its experience with Vietnam in this field.

Also today, Foreign Minister Nguyen Manh Cam met with his Burmese counterpart U Ohn Gyaw with a view to concretize orientations of cooperation between the two ministries in the coming time. The two sides also exchanged views on international and regional issues of

mutual concern and on their cooperation aimed at contributing to the promotion of relations between the two countries.

Than Shwe Hosts Banquet

BK1305073994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 May 94

[Dispatch from Dinh Khai in Rangoon]

[Text] Dear friends: Senior General Prime Minister Than Shwe and his wife gave a grand banquet on the evening of 11 April in the capital city of Rangoon in honor of Prime Minister Vo Van Kiet, his wife, and members of our government delegation on their official friendship visit to the Union of Myanmar [Burma]. Also attending the function on the Myanmar side were Foreign Minister Ohn Gyaw and many high-ranking Myanmar government officials.

In his speech at the banquet, Prime Minister Than Shwe said: [Begin Than Shwe recording, in Burmese fading into Vietnamese translation] Your Excellency Prime Minister Vo Van Kiet, Madame Vo Van Kiet, distinguished guests, and friends: On behalf of the people and government of the Union of Myanmar, I would like to extend our warmest greetings to His Excellency Prime Minister Vo Van Kiet and distinguished members of the Vietnamese delegation. My wife and I are honored and pleased to welcome the delegation headed by Your Excellency on its visit to Myanmar and to host this banquet in honor of Your Excellency.

The Union of Myanmar and the Socialist Republic of Vietnam [SRV] are two regional countries linked by traditional friendship. From the efforts made by leaders of both countries to restore independence, we still remember the lasting friendship fostered through the traditions of mutual assistance and understanding. During the Cold War era, ours were among the developing countries that participated in the Nonaligned Movement [NAM]. We have shared similar views on regional and international issues. We have also shared almost similar views on ways of building each country into a modern nation, while at the same time making efforts to improve the people's living standards and contributing to regional stability.

Now that agricultural countries have shifted to market-oriented economies, I follow with keen interest the considerable achievements by Vietnam within a short time in the framework of its market-oriented economic policy. The application of knowledge acquired from each country's experiences and the promotion of cooperation for mutual benefit will help us bring about lasting stability and prosperity in each country, and thereby contributing to regional prosperity.

Your Excellency: The relations between Vietnam and Myanmar are based on friendship, goodwill, and mutual understanding. Those relations have been consolidated and strengthened through exchanges of visits by leaders

of our two countries. I am convinced that your visit will further consolidate the existing friendly ties between our two countries. I am pleased to say that during your current visit, we can exchange views on regional and international issues of common concern. I am positive that through straightforward and open-minded exchanges of views, we can further enhance the traditions of mutual respect, mutual understanding, and friendship between our two countries. Based on that willingness to share, the traditions of mutual assistance, goodwill, mutual understanding, and cooperation will become dynamic in our Southeast Asian region. Prompted by that spirit of mutual assistance, let us be determined to work toward the birth of modern and prosperous countries.

Excellencies, distinguished guests, and dear friends: I would like to invite you to a toast to the lasting friendship between the Union of Myanmar and the SRV as well as for the good health and happiness of His Excellency Le Duc Anh, president of the SRV; His Excellency Prime Minister Vo Van Kiet and his wife, our distinguished guests; and all of our distinguished guests and friends present here this evening. [end recording]

Prime Minister Vo Van Kiet then delivered his reply speech. He said:

[Begin Vo Van Kiet recording] Your Excellency Prime Minister, ladies and gentlemen: I am delighted to make my first visit to the friendly neighboring country of Myanmar, a country with a rich cultural heritage reflected in the well-known Golden Temple, and to meet the warm-hearted, diligent, and friendly people of Myanmar. I am deeply moved at the memory of our late beloved leader President Ho Chi Minh, who visited your country 36 years ago and opened a new stage for the relationship between our countries. I would like to express our sincere gratitude for the warm and solemn reception that Your Excellency Prime Minister and Madame Than Shwe and the people of Myanmar have given me and my delegation in our official and friendly visit to Myanmar. I would also like to thank Your Excellency for your fine statement about the country and people of Vietnam, as well as on the traditional and friendly relations between the two peoples.

Vietnam and Myanmar are both located in Southeastern Asia and share numerous similarities in culture and history. The two peoples have traditional, long-lasting relations during our struggles for independence. People of Vietnam never forget the valuable support that the government and people of Myanmar gave us from the very early years when our republic was still in its infancy. Rangoon was the first gateway for Vietnam to reach the rest of the world during the time Vietnam was isolated during the 1940's. Vietnam and Myanmar were shoulder to shoulder in the Afro-Asia Solidarity Movement against colonialism during the 1950's. We are happy to see that in the new situation, our fine traditional relations, which had always been heartily fostered by the two peoples, are now developing along with our sincere

cooperation in the aim to bring prosperity for each of our countries. I share with you the joy of seeing the great pace of positive changes which are taking place in your beautiful country, and I sincerely wish the people of the Union of Myanmar stability and prosperity.

In recent years, with our correct renovation policy, the people of Vietnam have made important achievements, and are now entering the first stage of industrialization and modernization aimed at reaching the objectives of being a wealthy people, a powerful country, and an equitable and civilized society. Our achievements are also closely connected with our independent, self-reliant, open, and diversified foreign policy, with the active cooperation of friends, far and near alike, including Myanmar, a neighbor country which always have friendly sentiments towards Vietnam.

On this occasion, I would like to affirm to Your Excellency that the government and people of Vietnam always regard highly the development of multi-faceted and friendly cooperation with Myanmar on the basis of respect for independence, sovereignty, non-interference in each other's internal affairs, equality, and mutual benefit. We consider this a positive contribution to the development of our countries and also an important contribution to the cooperation developing in Southeast Asia.

I am pleased with the results of our meeting this afternoon, and with our joint statement affirming the scope of cooperation and direction for development of our relations, our trade agreement, our tourism cooperation agreement, and our agreement on establishment of the joint cooperation committee. I think that this is an important new step in the relationship between our countries, and I believe that our official visit to Myanmar will contribute to further accelerating the friendship and cooperation between our countries for the interests of the two peoples, and for peace, stability, cooperation, and prosperity for Southeast Asia.

In this warm and friendly atmosphere today, I would like to propose a toast for the happiness and prosperity of the people of Myanmar, for the good health of Your Excellency Prime Minister, Madame Than Shwe, and the leaders of Myanmar, and for the ever-developing friendship and cooperation between Vietnam and Myanmar, and for the good health of all guests and friends [end recording].

Dear friends: After the solemn banquet, Prime Minister Vo Van Kiet, his wife, and members of our government delegation viewed an interesting concert program performed by Burmese artists.

Vo Van Kiet Meets With Than Shwe

BK1305080194 Hanoi VNA in English 0715 GMT 13 May 94

[Text] Hanoi VNA May 13—Prime Minister Vo Van Kiet and his Myanmar counterpart Than Shwe held talks in Yangon [Rangoon], Myanmar Wednesday afternoon.

Speaking at the event, Prime Minister Than Shwe described Prime Minister Vo Van Kiet's visit to Myanmar as a turning point in the relations between the two countries. He informed the Vietnamese leader of the Myanmar Government's efforts in implementing its policy of national concord and economic development, and its foreign policy of independence on the five principles of peaceful coexistence. Prime Minister Than Shwe highly appreciated the achievements in national renovation recorded by the Vietnamese people, and expressed his wish for further cooperation with Vietnam in national construction.

Prime Minister Vo Van Kiet, for his part, expressed his pleasure to share joy with the Myanmar people in their achievements in national concord and economic development. He hailed Myanmar's policy to strengthen its relations with Vietnam, and affirmed Vietnam's policy to attach importance to the development of its relations with Myanmar in the interests of the two peoples, for peace, stability and prosperity in Southeast Asia.

The two parties discussed the orientation and measures aimed at promoting the multi-faceted cooperation between Vietnam and Myanmar on the basis of respect for national independence, sovereignty, non-interference in each other's affairs, equality and mutual benefits.

The two prime ministers also exchanged views on the international issues of common concern.

Increased Chinese Naval Presence in Spratlys Cited

OW1205155794 Tokyo KYODO in English 1458 GMT 12 May 94

[Text] Hanoi, May 12 KYODO—China has increased its naval presence in the area of the disputed Spratly Islands in the South China Sea, Vietnamese Government sources said Thursday. The sources, including officials of the Vietnamese Foreign Ministry, said the number of Chinese naval vessels dispatched to the area has increased amid heightening tension between the two countries over the issue of oil concessions.

Some sources, including a diplomat of one of the members of the Association of Southeast Asian Nations (ASEAN), suggested a military conflict could break out depending on how Vietnam reacts to the latest Chinese moves.

Chinese ships in the area are said to number eight, including at least one frigate and two research ships, as well as landing craft, torpedo boats and data collection vessels.

Unconfirmed reports are circulating to the effect that Vietnam has rushed its own naval vessels to the area.

Hanoi is said to have stationed Navy ships on a regular basis at an ostensible fishing port facility that it built last year on one of the Spratly Islands.

The Vietnamese Foreign Ministry said Wednesday Vietnam holds sole rights to exploit natural resources in the Tuchia and Thanhlong (Blue Dragon) areas in the South China Sea.

China on Thursday criticized Vietnam's contract with U.S. oil company Mobil Corp. and Japanese partners to explore the area as "illegal" and a violation of Beijing's sovereignty but said the dispute should be resolved peacefully. Beijing claims "irrevocable sovereignty" over the entire area around the Spratly Islands, including the adjacent area where Mobil has said it would continue with offshore oil exploration work.

The Spratly Islands are also claimed by Vietnam, Taiwan, the Philippines, Brunei and Malaysia.

Ministry Refutes PRC Claims on Thanhlong Sea

BK1105144794 Hanoi VNA in English 1415 GMT 11 May 94

[Text] Hanoi VNA May 12—The spokesperson of the Ministry of Foreign Affairs of Vietnam today, reacting to foreign reports dated May 10 on the Chinese Ministry of Foreign Affairs' statement relating to the Thanhlong Sea area, reiterates the following:

'As determined by international law, especially the 1982 Convention on the Law of the Sea, the areas of Tuchia and Thanhlong lie within Vietnam's exclusive economic zone and continental shelf, entirely under Vietnam's sovereignty. Vietnam has the sovereign right to explore and exploit natural resources in these areas by itself or in cooperation with other foreign countries, a right with which no other country has the right to interfere. These areas are in no way related to the Truongsa archipelago or the adjacent waters. Any statement or act contrary to this principle is illegal and runs counter to international law'.

CPVCC Delegation Visits China

BK1305012394 Hanoi VNA in English 1410 GMT 12 May 94

[Text] Hanoi VNA May 12—A delegation of the Control Commission of the Communist Party of Vietnam central Committee [CPVCC] led by Mr. Do Quang Thang, CPVCC secretary and chairman of the commission, is on a visit to China.

On May 9, the Vietnamese delegation was received by Hu Chitao, permanent member of the Political Bureau of the Communist Party of China Central Committee.

Speaking at the reception, Mr Hu welcomed the delegation's visit to China to exchange views on strengthening the party disciplines and fighting corruption in the current process of renovation in the two countries. He also expressed his pleasure at the development of cooperation between China and Vietnam since the normalization of relations between the two countries and the two parties.

European Union Hosts Hanoi Seminar

BK1305092494 Hanoi VNA in English 0726 GMT 13 May 94

[Text] Hanoi VNA May 13—The European Union (EU) hoped that the relations of lasting and all-sided cooperation between EU and Vietnam would be strengthened in the fields of economy, industry, investment, insurance, services, science and research, mutual commerce, culture, agriculture, and so on, said the EU ambassador in Vietnam.

Mr. J. Gwyn Morgan, EU ambassador to Vietnam-head of the delegation of the Commission of the European Communities, was speaking at a press conference held in Hanoi in May 11 afternoon on the occasion of seminar entitled Single European Market organized in the city from May 11-12.

The seminar provided information about the single European market, the role and functioning of the EU, including EU-Vietnamese bilateral relations, legal matters, technical standards, marketing and distribution of which main branches are textiles, garments, processed food and food processing, seafood, tropical fruit and vegetables, footwear, leather and leather products.

The seminar was held by EC with assistance from the Societe General de Development S.A., OAV (the German East Asia Association), Ernst and Young, and the Vietnam Chamber of Commerce and Industry, and the Ministry of Trade.

In the years 1986-1990, the two-way trade value between EC and Vietnam increased 100 million ECU every year. In 1993 alone it exceeded one billion U.S. dollars, Mr Morgan noted. He said he hoped before autumn a framework agreement of cooperation between the EU and Vietnam would be signed. First of all, he said, a coordination office of EU will be opened in Hanoi in June this year.

On EC programme relating to Vietnamese non-refugees from camps in Southeast Asia, he said the programme would conclude at the end of Nov. 1994. That does not mean the EU will not continue to be concerned in the international and bilateral efforts to the Vietnamese Government to help the refugees return, he stressed.

Nong Duc Manh Receives FRG Assembly Delegation

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[Text] On the afternoon of 12 May, National Assembly Chairman Nong Duc Manh received at his office a delegation of the Federal Republic of Germany's [FRG] Bundestag Legislation Commission led by His Excellency (Etacop), a member of the commission.

Chairman Nong Duc Manh welcomed the delegation's working visit and expressed satisfaction at the results of the delegation's stay in Vietnam.

Chairman Nong Duc Manh also expressed the hope that cooperation between the two countries' National Assemblies and their committees will increasingly develop in order to help spur the cooperative and friendly relations between the Governments and peoples of Vietnam and the FRG.

Development of Africa, Middle East Ties Reviewed

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1000 GMT 12 May 94*

[Station commentary]

[Text] Vice Premier Nguyen Khanh this week left for an official visit to Syria and Egypt. Meanwhile, Vice President Nguyen Thi Binh has been in South Africa to attend the swearing-in ceremony of the new South African president, Nelson Mandela. These diplomatic activities show relations between Vietnam and countries in Africa and the Middle East are developing positively. Here is our comments on these events:

Due to geographic difficulties, relations between Vietnam and countries in Africa and the Middle East have not developed, though the peoples in that region offered support towards the national liberation struggle of the Vietnamese people in the past as well as in national construction at present. Those geographical obstacles are now less difficult. Many countries in that region have invited Vietnamese leaders to pay working visits. In response to their warm sentiments, in March Vice President Nguyen Thi Binh led a Vietnamese delegation to visit Algeria, Guinea, and Mali. Vietnam signed with those three countries agreements on economic, cultural, scientific and technological, and trade cooperation. At the end of last week, Vice President Nguyen Thi Binh left for South Africa to attend the swearing-in ceremony of President Nelson Mandela. There, she met leaders of African countries and affirmed Vietnam's determination to strengthen cooperative ties with them, particularly with the new South Africa.

In the Middle East, with the current visit by Vice Premier Nguyen Khanh to Syria and Egypt, new prospects in cooperation have been opened up. Trade agreements have been signed between Vietnam and Syria and Egypt. Vietnam now has expanded its relations with all regions in the world. It has genuinely integrated into the international community. Vietnam's foreign policy to befriend all countries in the world and its achievement in the current economic renovation are keys to Vietnam's successes.

National Assembly Officials Visit India

BK1205090094 Hanoi VNA in English 0709 GMT 12 May 94

[Text] Hanoi VNA May 12—A delegation of the Vietnam National Assembly's [NA] Commission for Social Affairs led by Mrs Nguyen Thi Than, member of NA Standing Committee and head of the commission is visiting India.

During its stay in New Delhi, the Vietnamese delegation was received by Mr. Shivrat Patil, chairman [speaker] of the Indian House of the People [Lok Sabha]. They also paid a courtesy visit to the minister of state for health and family welfare. Host and guest exchanged experience and views on their activities in the field of population and family planning in their countries and in the region.

The Vietnamese delegation had working sessions with the Ministry of Health and Family Welfare and visited a number of health and population establishments in New Delhi and other localities.

The Vietnamese delegation is scheduled to leave India for home on May 13.

Administrative Reform Resolution Issued

BK1205033794 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 May 94

["Text" of government resolution No. 48-CP on administrative reform—dated 4 May]

[Text] At present, administrative procedures, especially procedures for receiving and resolving works related to citizens and organizations have been stipulated by various sectors and echelons. They lack uniformity, and are cumbersome and complicated. Such procedures are usually established at the convenience of the organs in charge without paying adequate attention to the aspirations and convenience of the people concerned. Many state organs have failed to correctly comply with stipulations on receiving and resolving work related to the people. There have also been instances of passing the buck among state organs in charge which eventually leads to the work being unresolved. Worse still, many procedures, expenses, and fees have been created not in accordance with their authority. The collection of charges and fees has also been made above set levels. Regulations on state administrative procedures have not been made public, nor have competent and qualified cadres been appointed to receive and resolve work.

When receiving and resolving work related to the people, not a few civil servants have shown less respect for the people and have adopted officialism. They act as if they are doing a favor. Worse still, they inconvenience the people by asking for bribes. Resolving works in this way has not only caused a loss of time, energy, and money for various public organs, units, and the people concerned, but is also the main reason for corruption, thus causing indignation and eroding the people's confidence in the

state. Therefore, reforming administrative procedures is now a pressing demand that meets the people's legitimate demands. This is also an important goal of administrative reform. The goal to be attained is to implement a radical change in relations between the procedures for resolving works between state organs themselves, between state organs and other agencies and units, and between state organs and the people in receiving and resolving works.

The government hereby implements the following works, beginning in the second quarter of 1994:

1. First, cabinet members, heads of government organs, and chairmen of provincial and city people's committees directly under the central authority must continue to carry out the prime minister's directive No. 40-TTG, dated 29 October 1992, stipulating several points in the working relationship between comrades in charge of the administrative apparatuses at all levels. The main substance of these points is as follows:

A. The law on government organization and the government's operational statute affirms: Deputy prime ministers are those helping the prime minister and acting on his behalf in providing operational guidance and taking direct responsibility for resolving various works within the areas of activity assigned. They must regard this task as being delegated by the prime minister. Cabinet ministers must maintain regular contact with the prime minister and must personally meet and work with the prime minister when needed. When working with a prime minister, they must comply with the advice of the deputy prime minister concerned, regarding his advice as being made on behalf of the prime minister.

This spirit must also be displayed in the working relations between cabinet members and the chairmen of those provincial and city people's committees directly under the central authority and also between those comrades in charge of various administrative echelons in a province or city. This is to enhance individual responsibility, ensure centralized and unified leadership, overcome bad bureaucratic practices, and avoid inconveniences and sluggishness.

B. In the working relations of cabinet members and the chairmen of provincial and city people's committees directly under the central authority, cabinet ministers must personally work with the chairman or the deputy chairman—as assigned by his chairman—of a provincial or city people's committee directly under the central authority to resolve promptly and dutifully those issues within their authority in the shortest possible period. The state of a cabinet minister or a deputy minister forcing the chairman or the deputy chairman of a provincial or city people's committee to have advance meetings with each department of the ministry concerned before the minister resolves an issue must be ended. In cases where suggestions made by a province or city involve many ministries, the responsible ministry must act as a lead in discussions with other relevant

ministries and must not let the chairman of a provincial or city people's committee approach every ministry to solicit advice from various ministers prior to having the issue resolved by the minister in charge of the sector concerned.

C. Regarding works beyond the authority of a minister, the chairman or vice chairman of a provincial and city people's committee directly under the central authority must work with the prime minister or a deputy prime minister. In this case, the minister in charge of the government office must be dutybound to arrange a meeting for the prime minister or one of his deputies to work directly with the chairman or vice chairman of the provincial or city people's committee directly under the central authority.

Those stipulations cited in Points B and C above will also be applied to the heads of those organs belonging to the government.

D. In the working relations between the chairman of a provincial or city people's committee with the directors of various offices and with the chairmen of precinct and district people's committees, such works must also be dealt with in accordance with the above spirit.

E. In the working relations between the chairman of a precinct or district people's committee and the chairman of a village and ward people's committee, this spirit must also be fully observed. The chairman of a precinct or district people's committee must devote a large part of his time to staying close to various villages and wards in order to resolve works locally, trying to minimize cases where works are to be resolved through conferences.

2. Ministries, heads of ministerial-level organs, and heads of government organs, and the chairmen of provincial and city people's committees directly under the central authority must initiate a drive to scrutinize all stipulations now in force governing administrative procedures and charges and fees in areas under their responsibility, including those stipulations promulgated by lower echelons. This is to promptly restrict those unauthorized administrative stipulations and procedures and to supplement and revise those procedures no longer compatible with reality, which are disrupting the activities of other organs and units and inconveniencing the people.

If there are stipulations promulgated by higher echelons which they deem necessary to revise, supplement, or abrogate, they must petition the organs concerned to consider the possible revision, supplementation, or abrogation. This work must be carried out in all areas of activity with an emphasis on procedures governing the granting of permits for exports and imports, for investment activities, and for house construction and repair; procedures governing land allocation, the registration of business operations and occupational practice, the ownership and use of communications means, and household registration; procedures governing entry and exit

from the country, and the registration of buying, selling, or transfer of assets, capital loans, notary public, and enterprise inspections.

As for old procedures which are now still compatible and which are stipulated fragmentarily in various documents, they must now be organized into a single memorandum in accordance with the authority of the minister and the head of the ministerial-level organ, or the head of the government organ concerned in order to facilitate implementation, inspection, and supervision.

Those procedures related to many ministries and sectors, and the ministry with the main functions of state administration are responsible for coordinating with various ministries concerned in the promulgation of interministerial stipulations.

Ministers, heads of ministerial-level organs, heads of government organs, and chairmen of those provincial and city people's committees directly under the central authority must directly inspect and provide guidance for the deployment of this task beginning immediately from the second quarter of 1994, regarding this as one of the central tasks of their ministries, sectors, and localities to be carried out between now and the end of 1994.

After reexamining various administrative procedures, the ministers, heads of ministerial-level organs, and heads of government agencies, within their administrative authority, must make public the system of documents which stipulate new procedures under various formats so each agency, unit, and citizen is aware of and complies with them. Upon completion of revising and supplementing a procedure, they must promptly make it public. This task must be completed by the end of 1994 at the latest. Meanwhile, through inspection and reexamination of various administrative procedures of those sectors concerned, we must promptly help other agencies and units revamp all those elements receiving and resolving works related to citizens; and we must be determined to deal with and remove those cadres found guilty of abuse of their positions, or who are found unqualified.

3. In addition to laws, regulations, and other legal documents of the government or the prime minister, only the ministers, the heads of ministerial-level organs, and the heads of government agencies are authorized to stipulate administrative procedures for activities under their area of management. They must take responsibility for the government for these procedures.

New stipulations and those orders supplementing, revising, or rescinding those stipulations on existing administrative procedures must be put into writing. This will ensure their uniformity, accuracy, and consistency with the laws, regulations, and other legal documents of the government or the prime minister.

All stipulations on administrative procedures must be simple, comprehensible, and easily carried out and must

be openly promulgated so each public organ, unit, and the people are aware of them.

As for those stipulations on administrative procedures under the responsibility of various ministries and central-level sectors which need separate stipulations to suit the characteristics of a number of localities, ministries and central-level sectors must write letters delegating their authority to provincial and city people's committees concerned directly under the central authority to promulgate them. Such stipulations of the provincial and city people's committees must have the consensus of those ministries and sectors in charge of this field of activity and all those stipulations on administrative procedures of ministries and sectors must be openly promulgated.

4. Responsible ministries, sectors, and localities must scrupulously comply with decision No. 276-TT, dated 28 July 1992, of the chairman of the Council of Ministers—now known as the prime minister—on unifying all stipulations on managing various charges and fees throughout the entire country, and must strictly ban public organs and civil servants from creating charges and fees beyond the stipulations in that decision.

The Ministry of Finance is responsible for cooperating with relevant organs in providing uniform guidance for the system of management for each item of charges and fees.

5. At the sites where documents, papers, and complaints from the people are received and resolved, all stipulations on procedures for resolving every kind of works must be openly posted after these stipulations have been examined, revised, and supplemented by various ministries and sectors in accordance with the above spirit.

The different sorts of work must be clearly defined and the state organs responsible must complete it. If there are regulations for the collection of charges and fees, they must also be publicly announced.

Government officials charged with the duties of contacting and dealing with the public, and receiving documents must be qualified, honest, earnest. They must carry identification cards bearing their full name and rank. They are only allowed to resolve the work at the office.

When receiving papers requesting the resolution of a piece of work from the public, they must issue acknowledgement notes with the answering date. A piece of work that has met all requirements must be quickly approved according to the law and must not be delayed in any fashion. Clear reasons must be stated in response to applications that cannot be approved. If an application does not meet all the requirements, practical guidance must be given so that the applicant does not have to come back too many times. The head of an organ must outline regulations dealing with any case that involves many sections of the same organ, so that when any citizen and organization needs to apply for something,

they only need to see one official who is charged with the duty of receiving the application and dealing with the case.

6. People who lodge their applications have the right to complain to the head of the receiving office or the head of a higher organ. They can also bring government officials to court for their mistakes, and incorrect action that cause them inconvenience when proper administrative procedure are not observed and if they behave in an authoritarian, insolent, and demanding manner.

Any head of state organs and government officials who violate state regulations when dealing with the public must be disciplined quickly and correctly. This must begin with their removal from present duties. On the other hand, it is necessary to deal lawfully with people who take advantage of the right to complain to cause disorder and taint the reputation of government officials and state organs.

7. To quicken the reexamination of current administrative procedures; the introduction of new regulations; and the supplement, adjustment, and cancellation of certain administrative procedures; the Government Office is entrusted with the duty of coordinating with all sectors

in organizing and soliciting opinions from state organs and mass organizations. This will be done for outdated or illegal administrative procedures that inconvenience public organs, units, and the people. It will also affect those with loopholes, which bad people can take advantage of. No postage is needed for letters sent by public organs, units, and the people to the Government Office contributing views on administrative procedures that need to be changed or abrogated. The Government Office is responsible for compiling and categorizing the suggestions before informing related ministries and sectors for action.

8. The minister of the Government Office is to coordinate with the chairman of the Government Organization and Personnel Commission, the minister of justice, and the chairman of the State Inspector Commission in helping the prime minister instruct all sectors and localities to execute this resolution. It is suggested that the central offices of mass organizations and the mass media closely coordinate with ministries, central sectors, and people's committees at all levels to widely publicize the aforementioned line to solemnly and efficiently execute this regulation.

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